



Organizational culture and leadership style: The missing combination for selecting the right leader for effective crisis management

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Abstract Most organizations faced with a crisis will rely on the leader in place at that time to lead them out of the crisis, often with disastrous results. When the crisis gets out of hand, these organizations realize belatedly that the current leader does not necessarily possess the leadership style required to manage the crisis effectively. We present three crisis response leadership principles (CRLP) to help organizations successfully prepare for and manage a crisis. To accompany the CRLP, we provide the crisis response leadership matrix (CRLM), a prescriptive guide to help an organization improve its initial response and enhance the effectiveness of its crisis management efforts. Combining the element of organizational culture with individual leadership styles, the CRLM offers a standard methodology that allows organizations to match a given crisis with the best possible crisis response leader. We present a real-world case study that describes a successful implementation of the approach: the U.S. Air Force Taiwan-4 crisis. Organizations adopting this methodology can confidently choose the right person to lead a swift, effective response to a crisis.

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1. The Taiwan-4 incident: A high-risk, high-magnitude crisis

In August 2006, the United States Air Force (USAF) mistakenly sent four nuclear fuses that help trigger nuclear warheads in Minuteman ICBMs to Taiwan instead of four replacement battery packs

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requested for use in Taiwan's fleet of UH-1 Huey helicopters. The misshipment was a matter of national security that threatened to undermine the credibility of the USAF. More than 18 months transpired before officials in the Department of Defense (DoD) realized the wrong parts had been shipped, and the news hit the media in March 2008 (White, 2008). U.S. Secretary of Defense Robert Gates found the incident disconcerting and launched an immediate investigation. In a move unprecedented in U.S. military history, two high-ranking officials, Secretary of the Air Force Michael Wynne and Chief of Staff General Michael Moseley, were forced to resign in June 2008. This incident presented a crisis because it threatened to undermine the ability of the USAF to secure and account for its nuclear weapons arsenal. This article focuses on crises like the Taiwan-4 incident—namely, high-risk, high-magnitude crises with potential impacts so severe that they can threaten the credibility, perhaps even the survival, of the affected organizations.

Crises often drive organizations to predictable mitigation strategies focused on managing distractions rather than prioritized actions targeted at crisis response. Moreover, many organizations operate in a reactive mode, waiting for public criticism, emergencies, or negative publicity before they act (Girboveanu & Pavel, 2010). A more proactive approach, based on the three key principles we present in this article, can help organizations to prepare for and successfully manage a crisis. These principles, the crisis response leadership principles (CRLP), provide a practical framework for an organization to improve its initial crisis response and enhance crisis management effectiveness. These principles offer a prescriptive methodology to be used in conjunction with a crisis management tool, the crisis response leadership matrix (CRLM), which serves to match a given crisis with the best possible crisis response leader based on organizational culture and individual leadership style. We describe how these principles were applied to the Taiwan-4 crisis supply chain management recovery, demonstrating the impact of leadership style and organizational cultural on optimal crisis recovery.

2. Managing crises

Organizations are keenly aware of the potentially devastating impact of a crisis. Typically, when a crisis occurs, the response from the organization facing the crisis can range from pandemonium to a controlled, purposeful, and well-orchestrated crisis resolution, depending on the characteristics of the leadership team in place at the time and the prevailing

organizational culture. The response to the crisis will determine the trajectory of recovery and future organizational performance. In preparation, vigilant organizations should scan the horizon for signs of an impending crisis. Since the job of leadership is to address the crisis as quickly and effectively as possible, an enhanced environmental scan is prescribed by the CRLP that, unlike the traditional environmental scan, assesses how organizational culture and choice of leadership team both directly impact the probability of successfully managing a crisis.

Organizations, however, rarely allocate resources to crisis management preparedness since crisis management is not a part of their day-to-day operational activities. As stated by Hickman and Crandall (1997, p. 75): "Despite past disasters and the millions of dollars of damage they have rung up, many organizations are not prepared for a catastrophe to occur." Crisis management readiness receives little to no attention under normal operating conditions for a variety of reasons, one of which is the belief that the organization is unlikely to be affected by a crisis. In an article on crisis management, Lockwood (2005) cited a 2005 Disaster Preparedness Survey which indicated that even after the 9/11 attacks, 45% of the organizations surveyed did not create or revise disaster preparedness plans.

Organizations rarely allocate adequate resources to prepare for crisis management. This stems from a notion that it is very difficult to anticipate a crisis. Lockwood (2005) presented five reasons why managers and organizations fail in this regard:

1. Denial of an impending threat to the organization;
2. A reluctance to make crisis preparedness a priority;
3. A lack of awareness of the risks inherent to the business;
4. Ignorance of warning signs accompanied by a failure to critically analyze the organization's own history or the disaster experiences of others in the industry or locale; and
5. Reliance on weak, untested plans that will not effectively protect organizations in a real crisis.

The CRLM considers the organizational culture and the leadership traits needed for successful resolution of the crisis, and the CRLP provide clear guidelines on how organizations can adopt a proactive process to prepare for serious crises and manage a

crisis as soon as it occurs, thereby prompting a positive recovery trajectory. Before describing this approach, we present some realities that underscore the need to develop and apply the CRLP to improve crisis response and organizational performance.

2.1. The realities of crisis management

2.1.1. First crisis management reality: Time is a factor

Crisis dynamics create a compressed time and space continuum. At the moment of a crisis, organizations do not have enough time to do the things necessary for optimal response.

According to [Weiner \(2006, p. 1\)](#) and consistent with Lockwood's findings, research shows that the vast majority of crises develop because organizations fail to identify a potentially contentious issue at an early stage, which leaves them unable to develop a plan of action to "manage the issue before the issue manages them." When a crisis occurs, organizations quickly try to fit themselves and their crisis response to the situation. The pace of situational developments force rapid changes to organizational policies, procedures, and cultural identity as well. As [Weiner \(2006, p. 3\)](#) noted:

The first casualty of a crisis is perspective. Characteristically, the pattern is one of escalation, with the initial response being surprise . . . As events escalate, management senses a loss of control over the issue. Intense scrutiny by the media, regulators, stakeholders and competitors breeds a siege mentality, tempting a company to batten down the hatches.

2.1.2. Second crisis management reality: Framing should not be the priority

When a crisis occurs, there is a perceived immediate need for the leader to demonstrate publicly that everything is under control. This response is often shaped by the perceived need to cope with the media by framing perceptions, which often takes the form of attempting to contain the crisis or attempting to make it go away ([Zald, 1996](#)). As based on [Druckman \(2001\)](#) and stated by [Coombs \(2007a, p. 167\)](#), "the framing effect occurs when a communicator selects certain factors to emphasize [e.g., 'everything is under control']," hoping that the "people who receive the message will focus their attentions on those factors when forming their opinions and making judgments." The objective of this approach is to convince the public that the situation is well in hand, thereby reducing media attention. Rarely is this approach effective. On the

contrary, it distracts the leader's attention away from taking actions to actually resolve the crisis, leaving the leader relatively little time to adequately assess the situation and ensure he/she is doing the right thing. [Coombs \(2007b\)](#) noted that the primary focus should be on what is being done to address the crisis, not on how best to handle the media.

2.1.3. Third crisis management reality: Everyone needs a plan

Crises do not develop overnight. They are rooted in systemic issues that send out signals most leaders ignore because of the prevailing organizational culture. Since all organizations will experience a crisis at some point in time, they need to know how they will respond to a crisis well before its onset. As articulated by David [Weiner \(2006, p. 1\)](#): "An issue can fester for months, maybe years, until events and circumstances intersect and propel it to center stage of the public agenda." Both the 9/11 terrorist attacks and the Hurricane Katrina disaster were preceded by many unheeded warnings of potential risks—for instance, notice of Al Qaeda activities in the first case and weak levee protection in the second. Yet adequate preventive measures—which, in hindsight, were glaringly needed—were not taken before these deadly events occurred.

Indeed, as established by [Lockwood \(2005\)](#), most organizations take a this-will-never-happen-to-us attitude toward the potential of a crisis occurring. However, crises can no longer be thought of as rare or unlikely. In fact, as noted by [Lalonde \(2007\)](#), the occurrence and diversity of types of crises in our societies have increased. Thus, it is critical that organizations prepare for crisis response well in advance.

2.2. Crisis response leadership principles

So how can an organization ensure that it is prepared and postured for a successful response when a crisis occurs? Having identified three realities of crisis management, we offer a set of corresponding principles that counterbalance the impact of the crisis realities and, when applied to crisis recovery, enable organizations to mitigate those effects and take actions that lead to a positive crisis recovery. Since all organizations are very likely to experience a crisis at some point in time, they can position themselves to maneuver through any crisis successfully by applying the CRLP before the crisis occurs and choosing the appropriate leader at the onset of the crisis via the CRLM.

2.2.1. First crisis leadership principle

Crisis management requires more time and resources than initially perceived. A firm should manage expectations early to facilitate stakeholder ownership and acquire additional resources and time to expand the required operating space.

2.2.2. Second crisis leadership principle

Focusing on PR distractions is misguided. Instead, a firm should focus efforts on resolving the crisis. It is critical to communicate that a clear action plan is being developed to deliver a successful crisis response. Do not be tempted to declare victory too early because it erodes credibility and prolongs the actual crisis.

2.2.3. Third crisis leadership principle

Culture plays a huge role in the development and management of a crisis. Furthermore, leadership style matters—not all leaders are best suited for handling a crisis. Therefore, organizations must perceive, prepare, and position for crisis response by knowing the organization's culture and leaders, and applying the CRLM based on crisis environment, organizational culture, and leadership style to select the right leader for the crisis.

3. How leadership traits affect crisis response

All leaders have a signature style that characterizes their approach to leading an organization. Leadership styles have been classified and categorized in a variety of ways and different styles have been shown to be more effective in different situations. Choosing the right leader to manage a given crisis is clearly not a one-size-fits-all proposition. Placing the wrong leader at the helm in a crisis situation can virtually guarantee a catastrophic result.

In this study, we consider four leadership styles. Three of these—directive, transformational, and transactional—are as presented in [Pearce et al. \(2003\)](#), while the fourth—cognitive—aligns with [Fiedler, McGuire, and Richardson's \(1989\)](#) cognitive resource theory.

The *directive leader* is characterized as strong and decisive, adopts a take-charge approach, has well-defined expectations, communicates clearly, and typically expects people to follow the dictum without questioning it too deeply. This do-what-I-say approach can be very effective in an internal crisis or when working with problem employees. However, such a leadership style may inhibit initia-

tives in crisis situations that require organizational flexibility or innovative action.

The *transformational leader* is described as self-assured, adaptive, and logical. He/she consults with subordinates and seeks input to make consensus decisions. This type of leader thinks strategically, is detail-oriented yet able to see the big picture, and is capable of drawing from diverse experiences to connect the dots using cause-and-effect logic. This type of leader may not be the most appropriate in the case of an extreme time crunch, if only because it takes time to build consensus.

The *transactional leader* can be thought of as a dot-the-I's-and-cross-the-T's kind of leader. This leader focuses on a small set of individual details, is intelligent, follows the rules, and gets the job done. The transactional leader is bound by rules and regulations, making him/her ill-suited to manage the dynamics of most emerging crisis situations.

The *cognitive leader* is perceptive and imaginative. Characteristics of the cognitive leader include knowledge leadership, expertise in a specific area, big-picture thinking, strategic thinking, and participative decision making. While the cognitive leader is often perceived as lacking sufficient empathy and the interpersonal skills to manage a serious external crisis successfully, he/she may be quite effective in leading an internal crisis in cooperation with his/her experienced, seasoned staff to coordinate communication and provide managerial insight, infrastructure, and support.

Simply defaulting to the incumbent in place to lead a crisis response effort—as suggested by [Tsang \(2000\)](#)—can have disastrous results. A leader well suited to manage a particular crisis in a given organizational culture may not be fit to manage a different crisis in a different organizational culture. Organizations can recover from a disastrous crisis under the leadership of the individual whose style is the best fit for the specific dynamics of the organization's culture and the given crisis. Thus, attributes of the organizational culture and the crisis itself must be considered best to match the crisis management leader with the crisis event.

4. Knowing the organizational culture and why it matters

Culture is a set of basic, tacit assumptions shared by a group of people about how the world is and ought to be. These tacit assumptions determine the group's perceptions, thoughts, feelings, and to some degree, their overt behavior that drives their actions and responses. Naturally, these assumptions

Table 1. The crisis response leadership matrix (CRLM)

	Elitist Culture	Hierarchy Culture	Clan/Adhocracy
Internal Crisis	Cognitive, directive, or transformational	Directive, or transformational	Transformational
External Crisis	Transformational	Transformational	Transformational

shape organizational culture (Schein, 1996). In this article we consider three distinct organizational cultures: the hierarchy culture, clan/adhocracy culture (Kinicki & Fulgate, 2012), and the elitist culture (Wiener, 1988).

A *hierarchy culture* can be characterized by a rigid, tiered structure with a strictly defined set of core values that demand detailed processes and systems to drive compliance. The hierarchy culture is generally risk averse. It is a culture laden with policy and regulations that may tend to limit individual creativity.

Organizations with a *clan/adhocracy culture* typically have few formal, rigid processes; they have an entrepreneurial spirit and an empowered workforce. Organizations with a clan/adhocracy culture are not risk averse. They are willing to take risks, but such risks can be a detriment in a crisis situation if risk taking plays a role in the leadership strategies formed to cope with the crisis. Taking undue risks while efforts are underway to manage any crisis leaves little room to maneuver if something goes wrong.

The *elitist culture* tends to be dictatorial in nature with intrinsic qualities or perceptions of worth. The pervading belief is “we are smarter and better.” Power is concentrated in the hands of a few. These organizations believe that they possess special privileges and have special responsibilities. They believe that the same set of rules that apply to organizations in general do not apply to them.

5. The crisis response leadership matrix

The crisis response leadership matrix provides a rubric for identifying the type of leader most equipped to lead an organization through a serious crisis given the crisis environment and organizational culture. The crisis itself can be either internal (e.g., moral or ethical failures, an unanticipated change in leadership, poor oversight, product failures) or external (e.g., environmental disasters due to acts of nature, pandemic threats, targeted public acts, stock market crashes) to the organization. The three organizational cultures—hierarchy, clan/adhocracy, and elitist—are combined with the crisis

environment to form the CRLM. Each cell is then populated with the leadership style—directive, transformational, cognitive, or transactional—best suited to manage the particular crisis. The CRLM is presented as Table 1.

We applied the CLRM to widely known crises involving Tylenol, New Coke, Netflix, British Petroleum, Hurricane Katrina, and Penn State. We validate the CRLM by walking the reader through a categorization of the organization’s culture, the crisis, the leadership style of the crisis management leader, and the success of the chosen leader in each case.

5.1. Tylenol

In 1982, Johnson and Johnson (J&J) CEO James Burke faced a crisis both internally and externally when seven people died from ingesting cyanide-laced Tylenol capsules. Confident as a decisive, take-charge, yet transformational leader of one of the world’s most trusted, well-respected companies with a hierarchy culture, Burke successfully led J&J through the crisis by immediately recalling 31 million bottles of Tylenol and replacing them with tamper-resistant packaging (Foster, 2000; Prokesch, 1986; Thomas, 2012). In 1986, faced with a similar crisis—this time the death of one individual again from cyanide-laced Tylenol capsules—Burke guided J&J successfully through the crisis by quickly recalling more than \$100 million of Tylenol capsules and replacing all capsule products with caplets, a decision from which emerged an even stronger Johnson & Johnson. Burke’s handling of the crisis is now cited as a gold standard in crisis control (Yang, 2007).

5.2. New Coke

As a response to consumer taste tests and a loss of sales to its leading competitor Pepsi, the Coca-Cola Company replaced its primary soft drink product, Coke, with a newly formulated product it called New Coke in April 1985. An American icon, the elitist Coca-Cola Company was shocked when the switch was followed immediately by a public outcry to bring back the old Coke (Choueke, 2011). A switch viewed previously as key to regaining market dominance left the company facing its own internal

crisis as the enraged public demanded the return of their beloved product (Keough, 2008). By July 1985, Roberto Goizueta, the cognitive and somewhat directive chairman of Coca-Cola, successfully guided the company out of the crisis with his announcement of the return of the original Coke product renamed Coke Classic (Fink, 2010).

5.3. Netflix

Known for its entrepreneurial clan/adhocracy culture, Netflix caused an internal crisis when it announced a significant change in its product-pricing scheme in June 2011 (Copeland, 2010). Netflix increased the price of a package combining video streaming and mail order DVD rentals from roughly \$10 per month to \$16 per month. Outraged by the change, customers cancelled their subscriptions, which led to a significant decline in the price of Netflix stock (Gilbert, 2011). Then, in September 2011, CEO Reed Hastings announced the creation of Qwikster, a separate business that would handle all DVD subscriptions, leaving Netflix to focus on the video streaming business. Overwhelming customer disdain led to an exodus of 800,000 customers and stock prices declined further (Wingfield & Stelter, 2011). A few weeks after the disappointing move, Hastings, known for his adaptive, transformational leadership style, attempted to right the wrong by announcing the dissolution of Qwikster and the return of the DVD business to Netflix (Ryan, 2013). The adaptation allowed Netflix to recover and by the third quarter of 2014, its stock price was up to \$480 per share.

5.4. Hurricane Katrina

In August 2005, Hurricane Katrina hit the U.S. Gulf Coast, leaving nearly 2000 people dead in her wake, destroying homes, businesses, property, and infrastructure along the coast from Florida to Texas. Hurricane Katrina, a Category 3 storm, was one of the most deadly and costly hurricanes on record and resulted in billions of dollars in damage (Moy-nihan, 2012). Michael Brown, then-director of the Federal Emergency Management Agency (FEMA), was placed at the forefront of leading the crisis management effort. The public quickly lost confidence in Brown's ability to lead the recovery. As a transactional leader, he became consumed with the need to adhere to FEMA's administrative standard processes and procedures and was unable to move beyond the bureaucratic facade of red tape generally associated with the hierarchy culture (CNN, 2005; FEMA, 2005). U.S. Coast Guard Admiral Thad Allen replaced Brown in September 2005 (Baker, 2005). Allen, known as an unflappable man of ac-

tion, took the leadership reigns and did whatever was necessary to break through red tape and get the job done (White, 2005). The transformational element present in his leadership style allowed Allen to see the big picture and to create action plans built on shared values and common goals, all of which contributed to his successful facilitation of recovery efforts in the Gulf of Mexico.

5.5. British Petroleum

British Petroleum (BP), considered an elitist leader in the petroleum industry, found itself at the center of the biggest oil spill in U.S. history in April 2010. The failure of a blowout preventer led to the explosion of one of BP's oilrigs in the Gulf of Mexico and the deaths of 11 people (Elkind, Whitford, & Burke, 2011). The company's CEO, Tony Hayward—characterized as a results-oriented, practical, operational, directive scientist-leader—did not immediately grasp the enormity of the situation (Bednarz, 2012; Conway, 2008). BP called upon Robert Dudley, a decisive yet compassionate transformational leader, to manage the crisis (James, 2011). With Dudley at the helm, BP successfully capped the well, initiated a massive cleanup effort in the Gulf, and managed to regain public confidence.

5.6. Penn State

In November 2011, the Pennsylvania attorney general brought formal sexual abuse charges against Jerry Sandusky, the defensive coordinator for the Penn State Nittany Lions football team (Wertheim & Epstein, 2011). Suddenly Penn State, a university with an elitist culture evidenced by its We Are Penn State motto, found itself at the center of a crisis internal to its revered football program—perhaps the biggest scandal in college sports. Following the dismissal and resignations of numerous university officials, Jerry Sandusky was found guilty on 45 counts of sexual abuse in June 2012 (Simpson, 2012). Shortly thereafter, the NCAA levied a sentence on the Penn State football program that some speculated might be worse than the death penalty. The crisis management effort, which was led by the institution itself, suffered because of the entrenched institution's directive style of self-governance. The resolution of the Penn State crisis and its long-term effect on the reputation of the institution remain to be seen (Wolff, 2012).

5.7. Findings

Table 2 summarizes the application of the CRLM to these classic crisis management cases. Based on

these cases, we believe that the strictly transactional leadership style is not effective in managing crises. Transactional leaders are typically unable to adapt and maneuver organizations effectively through a crisis situation because their strengths lie in following a well-established, structured set of existing rules and regulations.

A second generalization is evident: The leader best suited to guide an organization through an external crisis is a transformational leader. Because external crises impact individuals beyond the walls of the organization, it is critical that the leader in such a crisis situation sees the bigger picture to understand the scope of the crisis and execute an

optimal response. It is equally important for the leader willingly to seek the advice of those closest to the situation at hand and leverage that expertise to form a logical yet flexible and adaptive crisis response plan, hallmarks of a transformational leadership style.

As noted earlier, knowing the organizational culture and traits of the leadership team can help senior leaders set the vision for optimal crisis response and prepare the organization for action well before a crisis occurs. Such was the case with the approach undertaken by the USAF to reinvigorate the nuclear supply chain and, in particular, the 748th Supply Chain Management Group (SCMG),

Table 2. Validating the CRLM with classic crisis management cases

	Elitist Culture	Hierarchy Culture	Clan/Adhocracy
Internal Crisis	New Coke • Goizueta: Cognitive, directive leader • Success	Tylenol (J&J) • Burke: Directive, Transformational leader • Success	Netflix • Hastings: Transformational leader • Success
	Penn State • Institution: Directive leadership style • TBD	Taiwan-4 • Director: Directive, Transactional leader • (Unsuccessful) Replaced by • Hall: Transformational leader • Success	
External Crisis	BP • Hayward: Cognitive, Directive leader • (Unsuccessful) Replaced by • Dudley: Transformational leader • Success	Tylenol (J&J) • Burke: Directive, Transformational leader • Success	Transformational
		Katrina • Brown: Transactional leader • (Unsuccessful) Replaced by • Allen: Directive, Transformational leader • Success	
		Taiwan-4 • Director: Directive, Transactional leader • (Unsuccessful) Replaced by • Hall: Transformational leader • Success	

an organization within the Air Force Materiel Command (AFMC) tasked with managing the Air Force Supply Chain for the Ogden Air Logistics Center, at Hill Air Force Base in Utah, the site of the Taiwan-4 crisis. The 748th SCMG applied CRLP in their crisis recovery efforts to successfully restore ICBM supply chain management compliance following the Taiwan-4 crisis that was briefly presented at the beginning of this article. We take a deeper look into this crisis in the following section.

6. Taiwan-4: The U.S. Air Force faces a serious crisis

The USAF faced significant ICBM supply chain management and asset handling challenges in recent years. A series of unfortunate incidents in ICBM asset management, indicative of larger systemic problems, served as a burning platform to change how the USAF managed the ICBM supply chain.

6.1. The Taiwan-4 crisis and the first crisis management reality

Crisis dynamics create a compressed time and space continuum. At the moment of a crisis, organizations do not have enough time or operating space to do the things necessary for optimal response.

The Taiwan-4 incident placed USAF leadership under immense media scrutiny while outcries from across the nation questioned the security of the USAF nuclear arsenal. One of the ramifications of this incident was an erosion of public confidence in the USAF's ability to positively control its NWRM inventory. During the 10-week period immediately following the Taiwan-4 incident, Secretary Wynne and Chief of Staff Moseley not only testified before Congress, but also engaged the USAF in taking significant corrective actions. Unfortunately, the complexity, depth, breadth, and scope of such crisis dynamics do not allow for short-term fixes. Even if organizations are given time to devise a plan and set corrective actions in motion, as was the case with the USAF following the Taiwan-4 incident, such efforts typically prove to be inadequate. Unless organizations are prepared and postured for the crisis beforehand, they will not have time to formulate an optimal recovery response strategy quickly and execute it rapidly in the confined and constrained crisis response environment in which they are forced to operate. There simply is not enough time available when the crisis occurs to figure out and execute the appropriate response strategy.

6.2. The Taiwan-4 crisis and the second crisis management reality

As soon as news of a crisis becomes public, there is a perceived immediate need for the leader to demonstrate publicly that everything is under control. Given the volume and intensity of this media maelstrom, the USAF moved quickly into action by immediately inventorying all of its nuclear weapons, associated parts, and equipment and launching a full investigation. Despite these efforts, both the Secretary of the Air Force and the Chief of Staff were forced to resign. In addition, the USAF relieved from duty several officers in command positions. These drastic measures were aimed to identify what was perceived as the root cause of the incident—poor leadership—and demonstrate corporate resolve in fixing the problem. The hope was that taking these extraordinary actions would instill confidence in the public that everything was under control and move the crisis off the national center stage. Unfortunately, that strategy did not play out and over the ensuing weeks and months, the USAF endured intense pressure and repeated inquiries as to how this could have happened. Dealing with the ever-increasing negative media exposure subsumed the real crisis and in effect became the crisis itself.

Crises are not events occurring on a standard cycle that can be tracked and monitored with exact precision. Senior leaders dedicate little if any effort to preparation for an organizational crisis. Resisting this natural tendency is one of the biggest challenges for senior leaders, and the CRLP provide a means to counterbalance this effect.

6.3. The Taiwan-4 crisis and the third crisis management reality

Crises do not develop overnight. They are rooted in systemic issues that send out signals that most leaders ignore because of the prevailing organizational culture. Since all organizations will experience a crisis at some point in time, they need to know how they will respond to a crisis well before its onset. The event that ultimately led to the Taiwan-4 crisis occurred in August 2006, but the underlying root causes did not receive any attention until well after June 2008, when the media drew attention to the problems. A similar incident had taken place in August 2007 when a B-52 bomber was mistakenly loaded with six nuclear warheads and then flown from Minot Air Force Base in North Dakota to Barksdale Air Force Base in Louisiana. The B-52 was loaded with advanced cruise missiles (ACMs), part of a DoD effort to decommission 400 of the ACMs.

The ACMs should have been removed at Minot before being flown across the country to Barksdale. The mistake was discovered upon landing at Barksdale and a full inventory of nuclear weapons was quickly administered to ensure all nuclear weapons were accounted for (Hoffman, 2007). The systemic ills leading up to these events had been chronicled in numerous reports and investigations dating back to the Clinton administration at the presidential and DoD levels (Spence, 1994).

A report by the Defense Science Board (DSB) on the unauthorized movement of nuclear weapons to Taiwan provided further insight into the root cause of the crisis. In the aftermath of the Cold War, America's nuclear weapons were so neglected that they were being stored alongside conventional missiles, with nothing but an 8 × 10 inch sheet of paper to differentiate between the two (Defense Science Board, 2008). Despite the urgency underscored by such extreme circumstances, as our third reality suggests, other distractions inhibited immediate response to the burning platform.

It appears that during the Cold War era, the nuclear community cultivated somewhat of a unique culture based on the special responsibilities and attributes of their weapons system inventory. In the aftermath of the Cold War and the DoD's shift in focusing on asymmetric/non-conventional threats, to a large degree the nuclear community's primary focus was on readiness and weapons system availability, an emphasis amplified by the reality of diminishing resources. This shift in priorities led to "deficient supply chain processes and noncompliance with related procedures which degraded control of sensitive missile components" (U.S. Department of Defense, 2008). What the nuclear community failed to recognize was that their lack of supply chain compliance jeopardized both readiness and weapons systems availability.

On August 12, 2008, Secretary Gates appointed General Norton Schwartz as Chief of Staff of the Air Force. By appointing General Schwartz, Secretary Gates instantly impacted the fabric and culture of the USAF, abandoning a tradition of choosing only bomber or fighter pilots to lead the nation's Air Force. General Schwartz brought a broader perspective to the vision/utility of airpower along with a collaborative and inclusive working relationship with the other services. He let it be known that the Air Force should no longer consider buying new multibillion-dollar tankers, fighters and cargo planes as the service's top priority. Instead, he announced that reinvigorating the nuclear enterprise would be top priority. In his first message to the nation and to airmen stationed worldwide,

General Schwartz referenced the nuclear mission, saying (Randolph, 2008):

The bottom line is we lost focus, and we're bringing that focus back. We have a lot of work to do, but we have a lot to be proud of as well . . . In those areas where others have found fault, we are going to work with a vengeance, and we will remain the world's finest Air Force.

6.4. Off and running: Applying CRLP to the ICBM supply chain recovery

In 2008, shortly after news of the Taiwan crisis broke, the 748th SCMG dispatched four USAF supply chain subject matter experts (SMEs) to the ICBM System Program Office (SPO) to provide full-time support in the recovery efforts. At that time the ICBM SPO held primary responsibility for ICBM supply chain management. Steeped in the unique attributes of the nuclear enterprise and with decades of ICBM experience, this crack team of SMEs were ready, willing, and able to tackle the deficient supply chain processes/procedures and provide a roadmap to recovery.

The directive and transactional leadership styles and hierarchical cultural barriers that confronted this rescue team were real, active, and entrenched. Although several recommendations for improvement and plans for recovery were offered, they were met with disbelief, dismissal, and disapproval. The team was ultimately relegated to the sidelines. Fortunately, this attempt to assist did not go without merit. In May 2010, the 748th SCMG, 414th Supply Chain Management Squadron (414 SCMS), was assigned responsibility for managing the ICBM weapons system supply chain and NWRM assets. The knowledge and insight gained by the team in 2008 provided invaluable preparation for applying the CRLM and CRLP to the 748th SCMG's assumption of responsibility in 2010. Additionally, a mandate by AFMC Commander General Hoffman to improve supply chain management performance postured the 748th for optimal response. All that was left for execution was finding the right person to lead this recovery effort.

As the crisis moved forward, Major General McCoy was reassigned as the commander of the Air Force Global Logistics Support Center (AFGLSC) in November 2008. Recognizing that leadership style matters, in 2009 General McCoy identified Colonel Reggie Hall to take command of the 748th SCMG, a person he had worked with in the crisis response center during the Pentagon 9/11 crisis when both

were assigned to the USAF Air Staff Headquarters. Although Colonel Hall was unfamiliar with the nuclear enterprise and lacked supply chain experience, the transformational leadership style he displayed in the 9/11 crisis response center made him fit for the task of leading the 748th SCMG ICBM supply chain crisis recovery effort.

In June 2010, 11 months after Colonel Hall took command of the 748th and only a few weeks after the 414 SCMS was assigned to his group, AFMC conducted a Logistics Compliance Assessment Program (LCAP) inspection at Hill AFB. The ICBM SPO and 414 SCMS were rated MARGINAL with over 203 non-compliance findings noted, many of which were repeats of previous issues. This was not the first time the SPO areas were rated sub-standard, as the 2010 results were the most recent in a series of less than stellar performances dating back several years, indicative of a culture with lesser concern for rules and adherence to procedures.

6.5. The Taiwan-4 crisis and the first crisis leadership principle

Our first crisis response principle states that crisis management requires more time and resources than initially perceived. Immediately after the 2010 inspection team departed, Colonel Hall gathered the SME team assigned to the 2008 ICBM SPO recovery effort along with other nuclear enterprise and supply chain experts within 748th SCMG to craft the initial response to the inspection results for General McCoy's situational awareness. The first crisis leadership principle was put into action. In addition to informing General McCoy of the specific details of the situation at hand, the team also crafted a notification to General Hoffman. Both pieces of correspondence were designed to achieve specific results to facilitate the crisis action plan and optimize crisis response by informing General Hoffman of the facts without soft pedaling the magnitude of the crisis. By doing so, the team made sure Hoffman's expectations were aligned with reality.

In essence, the 748th SCMG initial response created the time and space needed to execute an optimal crisis response, cultivating internal and external stakeholder ownership as the cornerstone foundation of the crisis response upon which all recovery efforts were aligned. By gaining senior leadership buy-in from the start, the team secured support at the highest levels, creating a "we are all in this together and will do all we can to help you succeed" ethos to facilitate full execution of the near-term crisis response plan as well as the long-term recovery campaign.

6.6. The Taiwan-4 crisis and the second crisis leadership principle

The second crisis leadership principle states that focusing on PR distractions is misguided. Instead, the priority should be solely on resolving the crisis. The second task Colonel Hall initiated after the team crafted the situational awareness updates to Generals McCoy and Hoffman was the development of crisis action and crisis recovery campaign plans. By doing so, the 748th SCMG recovery team used the time and operating space created by the inspection correspondence to develop a robust and comprehensive crisis response strategy and a well-documented recovery plan before making any proclamations of success. These actions affirmed the team's capability and capacity to execute an optimal crisis response and shaped the stakeholders' expectations, reassuring them that all energy and efforts were being focused on the crisis and confirming that the right things were being done for successful crisis recovery and that positive progress would result.

The team developed the vision, mission, goals, objectives, performance measures, and metrics for the crisis recovery. The 748th SCMG's vision was to be the best supply chain management group in the DoD. The crisis response strategy and recovery plan mission, goals, and objectives were aligned to the vision, codified, and communicated in the 748th SCMG campaign plan. The strategic objective was to ensure that everyone in the 748th SCMG understood the group's mission, vision, and goals as well as how their daily work contributions fit into the overall achievement of group success. All of these strategy-to-action elements were replicated in the 748th SCMG crisis recovery implementation/action plans and were central to the successful crisis response, providing a detailed roadmap for how and when crisis recovery would be achieved.

As the sequence of events unfolded over the 2-year timeframe, extending from the initial discovery of the Taiwan-4 misshipment until the 748th SCMG's assumption of responsibility, much of the external national/international media attention subsided. Other DoD, national, and international crises took center stage. Although there were occasional references to the events in the press, the focus of the media's attention turned elsewhere. While the magnitude and volume of the PR distraction was diminished, these distractions were not absent. The 748th SCMG recovery team continued to be inundated on an almost daily basis with multiple distractions in the form of numerous Office of the Secretary of Defense Review panels and special investigations, USAF Air Staff inquiries and data

requests, follow-up interviews, and other internal DoD PR disruptions.

Despite these distractions, the 748th SCMG recovery team focused exclusively on the crisis response effort as its number one priority. The cumulative effects of CRLP also coalesced to assist with the residual elements of strategic communication and continued primacy of the recovery focus. The additional resources obtained from the application of first CRLP were swiftly put to use and the team addressed a spectrum of issues, including training and workforce development and changes to policy and guidance, as well as improving tactics, techniques, and procedures. The recovery and campaign plan goals, objectives, and milestones were followed to the letter and progress tracked and measured on a weekly basis. PR distracters were provided proactively with immediate evidence that confirmed things were progressing according to plan and senior leaders received periodic updates that kept them informed and engaged throughout the recovery process. This boosted the team's credibility by garnering endorsements from stakeholder advocates.

So meticulous was the recovery team's adherence to the crisis recovery action plan that during the 365-day project schedule with over 500 hundred tasks, only one deliverable was missed and that was only late by one day. The dogged determination and persistence in executing the plan paid dividends in furthering the team's ability to leverage the internal media scrutiny. The 748th SCMG successfully co-opted the distracters into relaying observations with positive messages and strategically communicating their crisis recovery action plan progress so as to restore stakeholder confidence and support along the way.

6.7. The Taiwan-4 crisis and the third crisis leadership principle

Culture plays a huge role in the development and management of a crisis; this is our third leadership principle. Furthermore, leadership style matters—not all leaders are best suited for handling a crisis. Organizations must perceive, prepare, and position for crisis response by knowing the organization's culture and leaders and applying CRLM based on crisis environment, organizational culture, and leadership style to select the right leader for the crisis.

The results of the August 2012 AFMC LCAP evaluation at Hill Air Force Base affirmed effective CRLP execution and successful crisis recovery. The 414th SCMS earned a rating of excellent in the inspection. The inspection team also noted

the remarkable cultural change within the 414th: "A culture of excellence permeated the squadron, and their pride in ownership was evident in every aspect of the organization." The prevalent culture of excellence in the 748th SCMG infused every aspect of the 414th SCMS crisis recovery from planning through execution. The success of the 414th crisis response and the ICBM supply chain crisis recovery effort for the Taiwan-4 crisis confirms the link between knowing the organization's culture and selecting the right leader to guide the organization through the crisis, affirming the validity of the CRLM and the application of the CRLP.

7. The heart of the matter: Crisis management is all about culture and leadership

A crisis is not an event that happens overnight. Organizations' leadership and cultural dynamics set the conditions leading up to the event and these complex and deep-rooted precursors manifest themselves in predictable patterns. Given the tools to recognize and respond to these signals, organizations can prepare for the advent of crises before they occur and posture themselves for success by understanding the prevalent organizational culture and identifying the right person to lead the organization through a crisis. The Crisis Response Leadership Principles (CRLP) offer a framework and tools via the Crisis Response Leadership Matrix (CRLM) to aid organizations in selecting the right leader for optimal response and recovery based on the most effective leadership style for the given organizational culture and crisis dynamics.

The USAF's response to the Taiwan-4 crisis, along with the additional cited cases, supports the notion that the events associated with crises are sequential, have cumulative effects, and conventional organizational response practices that will lead organizations down the inevitable path toward suboptimal crisis response and delayed recovery.

Understanding the crisis management realities and applying the CRLP enables organizations to implement an optimal crisis response successfully in the face of a crisis. To respond effectively to such a crisis, organizations can prepare in advance by taking the following actions:

1. Recognizing and understanding the organization's current culture;

2. Continuously assessing the leadership styles of the members of the leadership team; and
3. Using the CRLM tool to select the best leader to respond to a specific crisis to successfully guide the organization through crisis recovery by applying the CRLP.

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