RAISING THE STAKES OR FINALLY SEEING THEM CLEARLY?

Balanced Leadership in Times of Economic Crisis

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Our Mission

To increase the supply of business leaders who understand—and seek to balance—the complex relationship between business success and social and environmental progress.

Our Vision

Businesses committed to addressing complex global problems—led by executives who possess the skills, values and long-term view required to consider the social impact of business decisions and who employ social innovation as a key element of business strategy.

The Current Crisis

Following on a long and steep upsurge of historic proportions, the U. S. stock market, and technology-oriented companies in particular experienced a sharp and punishing plunge in late 2000 and the early part of 2001. This is, of course, stating the obvious. As of March 20, 2001, the NASDAQ Composite Index was down 64% from its peak a year earlier. The Dow Jones Average slid below the 10,000 mark. $5.2 trillion (with a "T") in "paper" wealth had disappeared in that same year. These breathtaking drops are especially stunning as they followed an average economic growth of 4% annually since 1995.

But when we look beneath the numbers to try to understand the experiential reality of this downturn, a complicated picture begins to emerge. At a time when organizations and employees hunger for strong, visible leadership, all too often our executives feel they do not have the time, the luxury or the emotional capacity to exhibit that kind of vision and energy as all around them the walls are crumbling. Yet as we shall describe, it is the very extremity of the situation which, paradoxically, provides the key to weathering the crisis. Right now, in the midst of the chaos, leadership challenges and opportunities abound, and it is not too soon to harvest them. In fact, it is essential that we begin. Tolstoy wrote that "...every unhappy family is unhappy in its own way,"[1] and economic downturns are experienced in much the same fashion: that is, as if 'no one ever experienced anything like this before.' Thus, although this economic downturn is similar to every other in some ways, it nevertheless feels unique to those who are trying to negotiate their way through it. Young managers who have never known anything but success ~ and success of astonishing dimensions ~ are reeling. They haven't the emotional resilience that experience reportedly brings. But more seasoned managers who have been around the block before are nevertheless knocked off balance as well. Despite their own better judgment, some of them had begun to believe the so-called "new market" rhetoric of freedom from economic cycles won through technological advances that would outpace the vicissitudes of boom and bust.

When asked why and how this downturn feels so unnerving, executives talk about its suddenness, its speed, its depth and its global reach: "It happened so quickly and all over the world." They point out that the previous successful adoption of just-in-time inventory practices means that once the orders slow or stop, everything stops; there is no pipeline of back orders to fill. They note that known markets for existing products appear to be saturated, so the "way out" of this crisis appears to require significant shifts in both product and market focus ~ significant shifts that are difficult to orchestrate at a time when many feel traumatized. And there appears to be no clear "enemy" this time: they can't point to Japanese competition, for example. So there is a vague sense of "How and why is this happening? Who is doing this to us?" ~ a feeling that breeds helplessness.

Personal nest eggs and life plans have disappeared in just a few months. The stock market is no longer everyone's favorite hobby, and a new skepticism looms. To make matters worse, the media coverage – whether one views it as "hype" or merely merciless ~ only makes the individual experience more acute. When more individual investors are participating in the stock market than ever before, and when stories of "cover model" CEOs are being featured for their losses instead of their wins, "business news" becomes "popular" news and everyone appears to be paying attention.

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[1] Leo Tolstoy, *Anna Karenina*, edited by Leonard J. Kent and Nina Berberova, (New York: The Modern Library edition/Random House, Inc., 1965), p. 3.

Employee teams who felt like geniuses just last year, now feel like dunces. There is a tremendous sense of personal and organizational loss, a loss that is made only too palpable for the survivors of downsizing efforts who come to work and sit amidst dark and empty offices, previously inhabited by friends and mentors. Cost-cutting run amok in some firms results in physical campuses gone-to-seed: lawns untended, trash accumulating outside, empty parking lots.

With all of this "sturm and drang," over economic downturn, the role and even the significance of the business leader seems less than clear. What can individual leaders, or even teams of managers who understand the concept of collective leadership do, in the face of such a debacle?

Flashback

Before this crisis hit, a group of 25 global leaders in leadership development had been convening for a couple years under the auspices of The Aspen Institute's Business and Society Program (Aspen BSP)[2], to talk about the concept of "balanced leadership:" that is, the need for managers who are attentive to the wider social impacts of management[3] as well as economic performance; to both long and short term implications of their decisions; and to the concerns and voices of multiple stakeholders in their enterprises. This group includes heads of corporate universities; global knowledge managers for the major consulting firms; and senior academics who design and run leadership development programs at leading business schools.

As can be imagined, consensus is not easy to come by in such a group. In fact, the term "balanced" was itself controversial, as some thought it connoted stasis and "lowest common denominator" compromises, while others thought it suggested broad thinking and a responsive flexibility. Still, there was a widely shared perception that the current business context requires the need to look beyond the traditional sources of relevant information and of legitimacy, and to measure business success more broadly than in the past, with a wider set of objectives and of constituencies to satisfy.

Let's Get Real

But now some of the participants in those conversations (held over several days in idyllic surroundings conducive to reflection and "deep thoughts") have begun to wonder if there is, indeed, "world enough and time"[4] for such commitments in a plummeting market and in corporations hemorrhaging from loss of sales and return on their investments. These experts in leadership development are asking: Is this so-called "balanced leadership" a luxury, feasible only in times of growth and expansive confidence? In fact, given the time pressures, the high stakes, and the thin margins for error, do times of crisis demand leaders who are less inclusive, who define success more narrowly, who consult less and direct more, and who work on a short-term timeline

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[2] Formerly The Aspen Institute's Initiative for Social Innovation through Business (Aspen ISIB).

[3] Social Impact Management is the field of inquiry at the intersection of business needs and wider societal concerns that reflects the interdependency between these two realities, an interdependency that becomes more apparent and more complex as private corporations grow in size and influence, and public pressure intensifies for corporations to address pressing social and environmental concerns.

[4] Andrew Marvell, "To His Coy Mistress," *The Norton Anthology of English Literature,* Fourth Edition, vol. 1, M. H. Abrams, general editor. (New York: W.W.Norton & Co., 1979), p. 1361.

rather than with an eye to that often-invoked seventh generation? In short, do you need a different type of leader for times of crisis; perhaps one who is a bit less balanced in his or her perspective?

To the Contrary...

Based on their own experiences and observations, the authors here (two senior executives and visionaries in leadership development with experience at several major corporations – Motorola, Lucent Technologies, Providian Financial Corporation, Ford Motor Company, Home Depot – and a former Harvard Business School faculty member who has worked for 15 years in the field of social impact management) suggest that if "crisis is another word for opportunity," this economic downturn is perhaps the biggest opportunity of all. Rather than revealing "balanced leadership" as a luxury or worse yet, a fantasy, this crisis enables clarity of vision that may be possible only when the stuporous fog of plentiful times has burned off.

If we choose to see them, the true stakes of corporate leadership are being revealed and the true responsibilities and functions of corporate leaders are being defined, even as the impacts on all stakeholders are heightened by economic upheaval. Through a series of apparent "leadership paradoxes," the clarity of vision made possible in such times can be examined.

Raising the Stakes

Paradox One: Crisis can "raise some stakes" for organizational leaders at the same time as it relieves them of others.

We all can think of managers who, when the proverbial foul substance hits the fan, cease to worry much about the motivation, performance and experience of their employees. Instead they focus on their own survival, driven to gather so-called "intelligence" about the fate of their colleagues and themselves, spending time with those whom they believe will prevail and avoiding or blaming the "doomed," and in the worst cases, hiding out and spending their work time planning exit strategies. Their focus is narrow—personal fate, both of career and investment portfolios; their time horizon is short—making it through this crisis; and their commitment is to themselves—'every manager for him or herself.' In the case of entrepreneurs, this phenomenon is often more extreme, for it is their own creation that is at risk and the sense of personal failure and responsibility can be unbearable to some.

On the other hand, there are those who take this opportunity to step back from the fray, even when there seems to be no time or space to do so. These managers can sometimes experience the crisis as a sort of "wake-up call," occasionally even feeling a strange sense of calm.

When plunged into the same market cauldron that their competitors began to face in the early part of 2001, one CEO of a major electronics company confided that he had come to recognize that the "worst the board can do is fire me," and seen in that light, his own personal stakes seemed small. A clarity emerged about what was possible and what was not, for one individual to personally manage. The stakes were both higher—implications for the firm, its over 100,000 employees, the wider national economy in which it played a role, etc.—and at the same time, lower—his own individual career—than they felt before the economic downturn hit.

For such managers in times of crisis, some priorities emerge as paramount such as responsibility toward the lives of employees; serving the shareholders; responsibility to the customers with whom the firm has built long term relationships which are critical to their economic survival; responsibility toward the wider community or society in which the firm plays a role and has a stake.

In the early 1980s, Gary Jusela recalls being part of the change team at Ford Motor Company as they faced the fight of their life. He remembers that the leaders knew that more than their own jobs, or even the company, was at stake. To a certain and real degree, they were fighting to "save Detroit" and save U.S. manufacturing, and this was both a sobering reality as well a rallying point. People rise to the occasion, when they believe in themselves and their team and when the cause is worthy. It's the leaders' job to inspire this faith.

These are commitments on the part of a leader to something beyond oneself – which implies that they should be things deserving of that commitment. The scale and scope of these commitments may raise the pressure, but that same scale and scope makes the fact that they are shared commitments and that they are worthy commitments apparent. Rather than fueling a solitary sense of responsibility, they illustrate the necessity for a collective form of leadership. Sharing responsibility makes the challenge more palatable. So in contrast to our first sample, these managers have a broader focus, a longer time horizon, and a wider and shared sense of commitment.

So one may ask, why do some managers respond to crisis by shutting down, responding to challenge with an anxiety-driven narrowing of their goals? And why do others respond by opening up, by taking a longer view and feeling relieved from personal anxieties even as they identify with serving a larger set of stakeholders? Why do some individuals exhibit that "balanced leadership" introduced above?

Well, to paraphrase Tolstoy again, every unhappy manager is unhappy in his or her own way. However, we can still identify several credible responses to this question. Some managers may be predisposed to define their role and responsibilities widely and to balance both long and short-term objectives anyway. For these folks, a crisis is just another situation to which they bring their own hard-wired personal predilections. And there are others who are shaken awake by crises, who find that when the stakes get higher and widely felt, their own needs and concerns appear small and unimportant, and they feel "freed up" and motivated by that realization. They cease to find that their investments keep them warm at night and they look to a deeper, broader source of meaning and comfort. As one senior executive in a formerly high-flying tech firm reflected: "In our firm's heyday, about a year and a half ago [a telling observation in itself], the object of the game here was to make money. Money had become a substitute for everything else we had learned about people, purpose and so on. And when the money went away, we now feel we have nothing to fall back upon."

Finally, there are still others who are inspired by the demonstration of "balanced leadership" in those around them, at a time when such examples are more stark and dramatic than usual. The impacts of leadership are often greater and more far reaching in times of crisis, for other members of the organization are hungry for direction and hope.

Recognizing some of these reasons why an individual manager may respond constructively to crisis can help us to recognize the opportunities for triggering this reaction in ourselves and our

employees. The ways we frame the crisis and the responses we make to it are revealed as a choice: *a choice over which we can still have control.*

The Limits of Control

Paradox Two: Crisis makes the true extent—and the limits—of our control over circumstances palpably and sometimes painfully plain.

On the one hand, the simplest of comments on a manager's part, or the absence of comment, can send great waves of emotion through the organization and the wider market. On the other hand, near Herculean efforts can sometimes appear futile.

As we reflected upon the ideas we wanted to share in this article, Gary Jusela confided that he had recently experienced the extent of his own influence and control in a particularly disconcerting and uncomfortable way. As Chief Learning Officer of Lucent Technologies, Jusela had been invited to speak to a key business unit at an offsite summit. Hoping to "light a fire" under the group, Jusela shared that Henry Schacht, CEO, had told Jusela his number one concern at that point was the effectiveness of this unit. Jusela's intent had been to galvanize the group by communicating a sense of urgency, but the actual effect was to trigger defensive denial and heightened resistance. Jusela realized that his power to alienate and "freeze" the team was great indeed. In that way, he had more control than he had recognized. On the other hand, he was humbled by his inability to control the way his message was received.

Describing how senior leadership at Motorola dealt with the company's challenges, Wiggenhorn replied that they tried to organize the issues, arranging problems into three "buckets:" the things they could control; the things they could influence; and the things over which they had no control or influence.

So for example, they could *control* cost containment and communication with employees; they could *influence* through communication (but not control) government policy and FCC deliberations around public bidding for spectrum rights; and they had *no control at all* over U.S./China relations in the wake of the U.S. spy plane that went down on a Chinese island, regardless of Motorola's heavy investment in China.

Recognition of the control a manager does have, and that which he or she does not, is a powerful tool for responding to and managing crisis. It enables leaders to attempt much, while remaining humble; to avoid a narrowing of their scope and commitment while realizing the degree to which they rely on the insights and participation of others, inside and outside the firm, in order to address them. The common wisdom in times of stress is often to "stick to our knitting;" avoid over-reaching; attempt less in order to fail at less. Although focus and realism are virtues, the greatest power can sometimes be found in accepting the responsibility for—and therefore consciously addressing—our impacts, whether they were part of the espoused strategy or not. For example, talking about the impacts of downsizing on a community and its families does not make those impacts disappear, but neither does denial. Those firms that name and address them, open themselves up to creative remedies or at least mechanisms to diminish the pain. We may have less control than we would like, but more than we fear.

Scouts...

Paradox Three: Times of crisis often require us to act quickly, with even less data and certainty than usual, and yet they are times when our receptivity to more information from wider and less common sources is critical.

We all have seen managers who are unwilling or even unable to take a position under duress. They keep looking for the defining insight, the clarity that comes from careful research and analysis, at a time when all the balls are in the air and there is no "answer" because the entire market is making the story up as they go along. Leadership in such times requires the confidence to step out on that shaky limb, with faith and a commitment to bring support scaffolding along with us.

Such daring, however, does not mean that we stop listening to other voices, other stakeholders if you will. On the contrary, the new approach, the paradigm shifting perspective, the reframing of a problem which reveals heretofore unrecognized possibilities often comes from the most unlikely or marginalized sources, the "scouts" out there on the "frontier" of an organization's influence.

So at the very time when we are tempted to circle the wagons and listen to our own counsel exclusively, it becomes important to look for new voices, new perspectives. Remembering his experiences at Motorola, William Wiggenhorn noted that it was often managers, and younger managers at that, from their Latin American organizations who had lived through economic upheavals before, who demonstrated an ability to weather such storms, through calm and clear communication. The trick was for the U.S. corporate offices to look to their subsidiaries for guidance; rather than taking time that we don't have in a time of crisis, tapping into existing wisdom is ultimately more efficient that inventing it from scratch.

But What Do I Say?

Paradox Four: At a time when knowing what to say feels most difficult, not speaking is most dangerous.

And having more information does not necessarily mean knowing what to share. How "open" can leaders be when the truth is that the employees they are addressing may be gone next month; the customers they are reassuring may need to find alternative suppliers; the community may not be seeing the expected tax revenues; and their investors are losing their shirts or blouses?

Gary Jusela tells the story of the revered CEO of a previously much-heralded industrial firm, who with the best of intentions and a steadfast commitment to all his firm's stakeholders—employees, customers, shareholders, and community hosts alike—nevertheless refrained from communicating with these various groups despite plummeting stock prices, layoffs, and shrinking markets. He closeted himself with his inner circle, his most trusted group of senior advisors, unwilling to make a statement until he saw a "way out" of the current fiasco. His behavior sprang from a desire to "fix things," to "save" the firm for all, but the behavior actually worsened its challenges. If "Nature abhors a vacuum," frightened employees and the media hate it even more. In the absence of information, some of the most talented employees begin to look for alternative

employers; investors jump ship; customers lose heart; and the remaining team becomes paralyzed with stress.

The challenge for a leader in such circumstances is to really believe in those corporate value statements about "integrity." Most firms nowadays have such a commitment, sealed in Plexiglas, found on the desk of every Human Resource employee at least, if not throughout the entire organization. Times of crisis are often the hardest times to tell the truth, since leaders are not even sure what it is, but the lesson of Jusela's cautionary tale is that telling the truth—whatever it is—is better than not communicating at all. Keep the dialogue going. Expose oneself. "More is more."

And it is a kind of *emotional integrity*, as well as intellectual integrity, which becomes so essential. This means naming the mistakes, as well as the successes, being willing to say "we screwed up and here is what we are going to do about it." Such admissions imbue the leader with credibility, for he or she is only naming what everyone already sees. NOT naming or denying this reality, leaves employees in a state of cognitive dissonance; they lose faith in their leadership and use vast stores of energy trying to make sense of their conflicting sense of reality—energy that could more fruitfully be devoted to solving the firm's problems.

One senior executive from a beleaguered firm shares the story of running into the senior vice president for Sales in the elevator. Commenting on the time of restructuring, the SVP says with energy and apparent candor, "This is such an exhilarating time!" His elevator companion is left bemused and speechless, unsure whether and how to reply. Do they see such different realities? Is there something the SVP knows that he doesn't? Or is the senior leadership of the firm just that out of touch? What could have been a moment of mutual encouragement through honest sharing became a stark symbol for the sense of disconnection and the credibility gap within the firm.

Of course, there are better and worse ways to do this necessary communicating. First, in times of crisis, leaders cannot communicate too much about valuing employees and customers. If we want to keep employees, we have to tell them so; that "compensation package" did not say love, regardless of what we intended it to express. This is especially critical when employees are often tempted by outside offers, and even those who WANT to stay may feel that they are foolish to remain with what may appear to be a leaky ship. How can they maintain a sense of belonging if that commitment is not mutual?

Second, even when leaders do not have the answers—especially when they don't have the answers—they do have a critical role in "sense-making." They explain what is happening, naming what we know and what we don't know; talking about how we plan to find out about the unknown parts; communicating hope because they are demonstrating energy and commitment. They *model* for the rest of the organization that facing challenges is always easier than ignoring them, in the long run. Addressing rumors is possibly one of the most essential organizational task in times of crisis, because "The enemy you know is less frightening and less of a threat than the one you don't."

Third, one of the most critical functions of crisis communication is to enable *"reception"* as well as "transmission." That is, by speaking the truth, leaders create a safe environment for others to speak as well; in this way, they enhance their organizational "radar." They facilitate the "scouting" addressed above.

And finally, the source of communication is important. Of course, there must be a clear voice from the top of the organization, but that is not enough. For the individual employee, the most credible source is always his or her immediate supervisor. We often hear about the "frozen middle," the managers in the center of the organizational hierarchy who are regularly accused of being resistant, inflexible and unresponsive, wedded to the status quo, and "bottlenecks" in the flow of change. Although these managers may have more information than they ever have had before, they are only as comfortable communicating it as the manager to whom they report. And they are only as open to their employees input as their supervisor is to theirs. It's a chain, for good or ill.

Retreat

Paradox five: At a time when speed of action is necessary for survival, one of the most important priorities is reflection. Or put another way, when everyone is focused on surviving the present moment, one must take the time to look to the future.

William Wiggenhorn advises "no matter how urgent the present situation may seem, try to take ten minutes out of every hour to worry about the future." The irony is that taking a larger, broader, longer view can actually place the present into perspective. We can see beyond our own domain. In Buddhist philosophy, it is called "right view," or simply, "The View." From the long-term vantage, nothing looks as bad or as good, which is not the same as saying nothing matters. On the contrary, everything matters but our efforts are not about our own ego, or even our own survival—a perspective that triggers anxiety and narrowness of vision—but rather about a wider world, where our efforts and even our intentions, *especially* our intentions when they are expressed, can make a difference from moment to moment in many lives.

This was a concept that came up repeatedly at the Aspen BSP "balanced leadership" convenings. When sharing effective leadership development initiatives, participants frequently described examples of an experiential component in these exercises that we came to call "retreat." Retreat referred to the deliberate stepping back from the data gathering, the problem solving, the team building, the press of the moment, in order to let something synthetic and integrative and unforced happen to us.

These "retreats" could take the form of a planned night alone in the desert for each member of a new business development team, or fifteen moments of quiet meditation at one's desk. Although the efficacy of such experiences was not questioned, many in our group believed that the pace of commerce today did not allow for such refueling and inspiring retreat. Still, those same individuals worried that without it, managers risked shortsightedness and burnout.

Interestingly, this need for "retreat" as well as the fear that the relentless pace of commerce will not allow it, were themes that surfaced during a time of unprecedented positive market performance and financial plenty. The paradox is that we expect it is easier to take the time in times of relative abundance—but we tend not to do so. We may be swept up in the sheer energy and pace of our own activity.

And it may be harder, but more essential, to find retreat in times of scarcity and competitive threat. Long hours with little visible progress must be put into "balance" with a wider view of the purpose of one's work and one's organization. Dealing with the emotional, professional

and financial pain of one's employees is a strain and a drain that must be countered. As William Wiggenhorn asks: "How long can you keep caring?" Gary Jusela responds: "Our ability to care for others is directly related to our ability to care for ourselves." And Mary Gentile, drawing from her executive coaching experiences, adds: "I've observed that managers seem able to draw the learning from loss, even failure, only from a distance; they can't see it 'up close and in the moment.' It's in the reflection, the retelling to confidants, that the patterns and alternative readings emerge."

"Tragic Choices"...

Paradox six: While focussed on "rallying the troops" during a crisis, leaders must often be making the "unpopular decisions."

 At Aspen BSP's second annual convening on "balanced leadership," one of the participants noted that although we were right to place emphasis upon "scouting" and consulting with multiple stakeholders as essential to a leader's effective decision-making, the hard truth was that, in the end, a leader still must make the "tragic choices." Regardless of how hard we look for the "win/win's" and the "glass half-full," there will be times when, more often than we would like, not everyone and maybe no one will be happy with the choices a leader makes. Just because we've listened to everyone, does not mean that we will decide to do what any of them proposed, but our decisions should be better, wiser, more "balanced" for the process.

The reality of "tragic choices" is a truism, but in times of crisis, the drama is heightened. The temptation in such instances is to *consult less*, as was suggested earlier, in the misguided hope that we will therefore *disappoint less*. Perhaps the more honest rationale for this impetus is that we are tempted to consult less so that we may be less aware of who and how often we actually do disappoint our constituencies.

Wiggenhorn suggests that it is not the consultation process, but rather the process of consensus-building that is curtailed in times of crisis, but if leaders consistently apply the guiding principles by which the organization operated in times of more consensual management, they will be able to draw upon the trust account that they have "banked" for just such occasions.

A Balanced Curriculum?

Perhaps it is not surprising that the challenges leaders face in crisis times serve only to heighten the call for "balanced leadership." Individuals can actually experience crisis as "freeing them up" to act by a wider and more fundamental set of priorities since the comfort and the constraints of "normalcy" are stripped away. The most threatening circumstances can be experienced as the most highly motivating if—and this is a very big "if"—the purposes which we serve feel "significant" enough to the organization's members.

And this is perhaps where we might turn for a moment to the question of leadership development. What do the lessons of balanced leadership in times of economic crisis teach us about what we should be doing in leadership development programsThe six leadership paradoxes above suggest several responses to that question.

To begin with, the current economic downturn reveals just what we have wrought through the dismantling of company loyalty, systematically undertaken over the last couple decades of mergers, acquisitions, LBOs and downsizing. We have all heard of the brave new "free agent world" and of the need for individuals to view their careers as a network of relationships and continuous learning across departments and companies, rather than as ladders ascending within a single function or firm. As one manager phrased it, companies have become "a loose confederation of people held together by the stock price." The question occurs: so what happens when the stock price loses its hold?

This is not to say that we need to (nor could we) go back to a time of blind company loyalty. But it does suggest that we need a *redefinition* of loyalty, a loyalty to something perhaps greater and more energizing than one's individual career path, or a particular firm. Certainly, loyalty to money has not proven constant or even grand enough an objective to help us weather hard times.

So a role for leadership development initiatives may be providing the time, the place and the impetus to think deeply and broadly about just what we are in this for.

What is worthy of our commitment? Is it the intellectual challenge of "cool problems to solve"? Is it the broader challenge of benefiting our customers, our communities and our environment? Is it a commitment to the community of fellow employees with whom we work? Is it some combination of all of these?

And if it is, indeed, some of these items, can leadership development programs address what a leader needs to do to maintain the sense of intellectual challenge? To inspire us to feel wider community benefits are feasible? To engender a feeling of community among employees, even when that community is shrinking?

Another role for leadership development is to create networks of support, both internal and external to the firm. When leaders are faced with the truly daunting tasks described in this essay, they need, more than ever, sounding boards, friendly critics, honest colleagues, and encouraging teachers. These colleagues can provide the support for individuals to draw energy from crisis rather than despair. And often, the very individuals who have played such roles in the past, are leaving the organizations where our leaders are employed. Corporate education is one important source of extended networks.

Leadership development for times of crisis can also teach the value of strategic pruning, as well as strategic growth. Just as organizations can grow wisely or foolishly, so can they downsize in better and worse ways. The necessity for restructuring provides an opportunity to cut back the branches that will inhibit growth at a later date, when the market opens up again.

Perhaps the most important take-away for corporate education is that managers and leaders—and we often say that we want all of our employees to exercise leadership—find that they can dare more and do more when they are freed from a narrow conception of what they are daring and doing things *for*. Crisis reveals the true stakes of their managerial profession and of their firms, thereby raising them. So it follows that the most effective leadership development programs may be those that allow managers to see those wider, broader and longer term stakes at *all* times, and not just when crisis makes their outline more stark: Freeing managers to define their purpose in terms

that exceed personal or even organizational economics; encouraging leaders to see the range of stakeholders to whom they have an obligation and from whom they can learn; enabling managers to develop the communication skills and the personal comfort with truth-telling under *all* conditions; and inviting leaders to think of their legacy, over years rather than quarters, may be the best way to teach management, in times of crisis as well as calm.