RESEARCH IN ACTION:

Wharton's Dean Erika James on How to Be Prepared for the Next Crisis

THE PROBLEM

Crises are complex and multifaceted by definition, they argue; and to better perceive the edges of a crisis and fully understand its shape, you need to see the biggest picture possible. Wharton's Dean Erika James and long-term academic collaborator, Lynn Perry Wooten, President of Simmons University, have created a framework for crisis detection, management and resolution. In their 2022 book, The Prepared Leader, James and Wooten argue that leaders have both the responsibility and the agency to brace for crises and to chart their resolution, creating better outcomes for people and organizations. One of the most compelling findings from James and Wooten's body of research is the need for diversity of perspective and expertise within the team managing a crisis. This insight takes on heightened significance when considered in the context of diversity-related crises, which can have far-reaching consequences. James and Wooten explain that the greater the number of perspectives you take—the more eyes you have on the crisis—the less likely you will be to downplay or dismiss the threat or remain anchored to a single plan of action when the chips are down. The more people you can turn to for counsel as the crisis develops, the easier it is to shift course, adapt and find creative solutions as exigencies dictate.

THE IMPORTANCE OF DIVERSITY AND PERSPECTIVE-TAKING IN A CRISIS

To ensure you have access to a breadth of perspectives ahead of the next crisis, James and Wooten recommend you ask yourself these three questions:

How easily can you currently access different voices or sources of information within your team or organization?

Ask yourself if you have full visibility of what is happening across different functions and areas of the business. Are there blind spots or gaps in information flow that could make it hard for you to spot the signs of a brewing crisis? And if you are engaged in scenario-planning around different types of outcomes, ask yourself whose knowledge or expertise might shed most light—and if you currently have access to these perspectives.

2. Do you make it a priority to build other people's ideas or input into your own decision making?

And if you do, whose counsel do you routinely seek? Do you limit your discussions to those within your team or the C-suite? Or do you purposefully seek out a breadth of perspective? In The Prepared Leader, James and Wooten talk about the importance of deferring to expertise in a crisis—wherever that expertise may surface within the organization: from the boardroom to those with boots on the ground. Ask yourself, in a crisis situation, how likely are you to look for diverse points of view to get a fuller picture of what's going on. And be honest about how you feel.

3. What could you do to systematically surface and capture more diverse, multi-stakeholder perspectives?

A good place to start is to reassess how communication is structured within and across your organization and to try to pinpoint any silos that need to be addressed. What are the mechanisms that you currently use and is the flow of information top down or multi-lateral? In the era of online meetings and with time in chronically short supply, what steps could you follow to ensure you hear voices other than those of your immediate team, without creating more work for yourself or your employees? And think about your leadership style. Do you currently model the kind of open leadership and the humility that will encourage people to speak up when there's a crisis smoldering or about to blow up within your organization or ecosystem?



THE SCHOLARS



<u>Dean Erika H. James</u> is the Dean of the Wharton School and Reliance Professor of Management and Private Enterprise. Trained as an organizational psychologist, Dean James is a leading expert on crisis leadership, workplace diversity, and management strategy. Dean James is a sought-after thought leader whose expertise has been quoted by The Wall Street Journal, MSNBC, Bloomberg, The Washington Post, and numerous other media outlets. She has been widely recognized as one of the most powerful and influential women in business and education by Barron's, Black Enterprise, and Ebony.



Lynn Perry Wooten is the president of Simmons University. Specializing in crisis leadership, diversity and inclusion, and positive leadership—organizational behavior that reveals and nurtures the highest level of human potential—Dr. Wooten is an innovative leader and prolific author and presenter whose research has informed her work in the classroom and as an administrator. Dr. Wooten also has had a robust clinical practice, providing leadership development, education, and training for a wide variety of companies and institutions, from the Kellogg Foundation to Harvard University's Kennedy School to Google.

The Wharton Coalition for Equity and Opportunity (CEO) creates research-driven solutions to help current and future leaders ensure equity in business relationships and leadership. Dean Erika James, who is Wharton's first Black and first female dean, is emblematic of a paradigm shift in executive leadership. She has launched the Wharton Coalition for Equity and Opportunity as the hallmark of her leadership commitment to diversity, equity, and inclusion. The initiative is being led by Kenneth L. Shropshire, Wharton emeritus professor of legal studies and business ethics. Shropshire is the former director of the Wharton Sports Business Initiative and former CEO of the Global Sport Institute.