



The Psychology in Crisis Management

A short introduction to the new psychometric diagnostic tool

In recent years, the international financial markets have seen unprecedented turmoil. Billions of shareholder value has been wiped out, leading to the collapse of numerous institutions and the near-collapse of the financial system as a whole. The financial crisis has spread to other business sectors and severely affected many organisations that were once sound and healthy. Whatever the origins of the crisis may be, it is evident that the loss of—and efforts to restore—trust and confidence in business leaders, organisations, and the economy as a whole, have become leading themes.

The economic rationale for trust in organisations is widely accepted in research and practice. Most definitions of trust feature the notions of vulnerability and expectations, combined with one or more distinct dimensions, such as competence, openness, concern, and reliability. The level of trust in an organisation correlates strongly with adaptive managerial behaviours and influences significantly the economic performance of the organisation. And vice versa: performance and behaviours can influence, or even determine, the level of trust in the organisation. The managerial attitudes and behaviours in a crisis situation are the result of both pre-existing and dynamically-constituted trust. Some attitudes and behaviours are conducive to effective crisis management, others are very detrimental. The psychometric assessment of important trust behaviours and attitudes in a crisis management context is a novel approach that will help managers and leaders to better understand the role that trust, at an *institutional* and an *individual* level, can play in their efforts to operate effectively in a crisis situation.

The assessment alone is however not a panacea for success! Boards, senior management teams and human resource executives will essentially be given an instrument that can help identify and measure the existing levels of important behaviours and attitudes in their organisation, which will be useful in the development of managers and leaders who are likely to face particularly challenging trouble-shooter or crisis management tasks. The assessment typically takes place as part of a company's succession planning process or as a precursor for interventions, such as team building or executive coaching.