# Constructing Crisis

There is no such thing as a crisis. Rather than an actual, corporeal thing, a crisis is a claim asserted from a position of power and influence, intended to shape the understanding of others. A constructed crisis by a leader may or may not be legitimate, and, legitimate or not, the content of a claim alone does not determine whether people decide to believe it. Rather than viewing crises as the result of objective events, Spector demonstrates that leaders impose crises on organizations to strategically assert power and exert control. Interpreting crisis through a critical lens, this interdisciplinary book encompasses not just management and organizational literature, but also sociology, history, cognitive science, and psychology. The resulting wide-ranging, critical, and provocative analysis will appeal in particular to students and academics researching leadership and crisis management.

Bert Spector is Associate Professor of International Business and Management at D'Amore-McKim School of Business, Northeastern University, Boston. His research interests include organizational change, leadership, business model innovation and management history. His previous book *Discourse on Leadership: A Critical Appraisal* (Cambridge, 2016) received the 2017 Choice Award for an Outstanding Academic Title.

# Constructing Crisis

*Leaders, Crises, and Claims of Urgency*

Bert Spector

*Northeastern University, Boston*

CAMBRIDGE
UNIVERSITY PRESS

CAMBRIDGE
UNIVERSITY PRESS

To

Harper Elaine

Riley Morgan

Lily Kathleen

# Contents

# Tables

# Preface

The central assertion of *Constructing Crisis* is that there is no such thing as a crisis. It's an observation I came to at a moment when the United States, indeed much of the Western world, seemed to be engulfed in upheaval. It sure felt like crises were real. And they were everywhere.

In the second half of 2016, just as I started writing, a wave of migration convulsed Europe. With ninety people a week drowning on the Mediterranean Sea in a desperate attempt to seek refuge, US President Barack Obama addressed the United Nations' Leaders' Summit on Refuges. This was a crisis of "epic proportions," he declared, a dire situation that posed "one of the most urgent tests of our time."[1] In June, citizens of the United Kingdom voted to exit the European Union. Brexit advocates insisted that their country faced a crisis due to unconstrained immigration, not to mention attempts by faceless bureaucrats in Brussels to deprive England of its traditional identity. In the United States, competing claims of crisis dominated the presidential campaign. From one side of the political divide came an assertion that the country faced "carnage." From the other came an insistence that a constitutional crisis loomed.

As I continued my project, urgent situations appeared to multiply. We learned the details on how Russians had hacked the 2016 US presidential election, and deadly conflict raged in Syria. Terrorists struck Turkey while Recep Tayyip Erdogan's government cracked down on opposition. Humanitarian catastrophes spread across the Middle East and Africa, a hurricane ravaged the island of Puerto Rico, and US immigration officers separated children and parents on the country's southern border. #BlackLivesMatter and #MeToo movements demanded accountability from, among many, police officers, amateur sports coaches, and Supreme Court nominees. Agents of a US ally apparently murdered a US-based journalist. The president announced an immigration emergency at the

[1] Available at https://obamawhitehouse.archives.gov/the-press-office/2016/09/20/remarks-president-obama-leaders-summit-refugees.

country's southern border that presented "a crisis of the heart, a crisis of the soul." Critics insisted that the "crisis at the border" was nothing more than a claim made by the president to advance an anti-immigrant agenda. The Earth continued to warm, the polar caps continued to melt, and storms regularly devastated communities around the globe.

It sure felt like crises were real things.

I do my work at a school of business, focusing largely on the role of corporate leaders, mainly CEOs, and the outsized impact they are said to exert on their organizations. As I continued to work through *Constructing Crisis*, numerous urgent performance crises threatened the viability of companies. The Limited, Toys R Us, and Radio Shack were among the many US corporations forced to declare bankruptcy in what came to be called the "retail apocalypse of 2017."[2] Then, in the next year, Sears and Brookstone joined the ranks of the bankrupt. *That* sounded like a crisis.

Videos of a bloodied passenger being dragged down the aisle of a United Airlines flight to make room for staff members and a black customer being led off in handcuffs from a Starbucks by police made for some very difficult moments for corporate leaders. Facebook founder and CEO Mark Zuckerberg faced embarrassingly uninformed – "How do you sustain a business model when people don't pay for services?" – but righteously angry senatorial inquisitors demanding to know how "private" user data had made its way into political campaigns. Japanese authorities arrested the chairman of Nissan Motors on charges of under-reporting his income to the tune of more than $44 million. The credit-reporting firm Equifax admitted that a hack had exposed private data – social security numbers, credit card numbers, and other personal information – of 143 million customers. The Italian fashion house Dolce & Gabbana angered nearly the entire Chinese retail clothing industry with an advertisement deemed to be culturally insensitive and insulting. And accusations of sexual harassment and abuse shook the entertainment industry at its very highest levels.

So, what am I *thinking* when I insist that there is no such thing as a crisis? Let me explain. First, I believe that we seriously, even dangerously, misconstrue the nature of crises and the role played by leaders – CEOs no less than presidents and prime ministers – in asserting that a crisis exists. Crises aren't things at all, but constructions made by leaders, claims that insist that their social unit faces an urgent situation. Second, I think that claims of urgency are not neutral,

---

[2] Derek Thompson, "What in the World Is Causing the Retail Meltdown of 2017?" *The Atlantic* (April 10, 2017).

scientifically objective readings of the external environment. Rather, they are exercises in power and assertions of interests on behalf of the claims makers. There are times, certainly, when claims-maker interests are coincident with the aims of the larger social unit, but not always. Third, while some of these claims of urgency are undoubtedly legitimate, not all are. It would be useful to devise an approach for sorting through the claims with which we are regularly bombarded. And finally, I think that the spreading phenomenon of post-truth claims making demands exploration with attention to the dynamics by which people come to believe or disbelieve claims.

As I considered those points, I knew I needed to address the larger question that my hypothesis raised. If crises aren't *things*, what, then, are they? My own academic background directed me to look for answers in certain places. There is, not surprisingly, a considerable literature on crisis management within business organizations. That's where I turned first. The titles were intriguing, even promising: *What Were They Thinking? Crisis Communication – The Good, the Bad and the Totally Clueless*; "Crisis Communication: Lessons from 9/11"; "Healthy Leadership during Organizational Crisis"; *Crisis Proofing: How to Save Your Company from Disaster*; *When It Hits the Fan: Managing the Nine Crises of Business*; *Why Some Companies Emerge Stronger and Better from a Crisis: Seven Essential Lessons for Surviving Disaster*; and *Transforming the Crisis-Prone Organization: Preventing Individual, Organizational, and Environmental Tragedies* among them.[3] This body of work held out promise that the overlapping dynamics of crisis and leadership were discoverable and could be codified in a way that would direct more effective responses in the future. It was, as it turned out, a largely unfulfilled promise.

Don't get me wrong. There are plenty of lessons to be learned and advice to be considered in that reading. But on a conceptual level, I was

[3] Steve Adubato, *What Were They Thinking? Crisis Communication – The Good, the Bad and the Totally Clueless* (New Brunswick: Rutgers University Press, 2008); Paul Argenti, "Crisis Communication: Lessons from 9/11," *Harvard Business Review* 80 (2002), 103–119; Joseph Grant and David Mack, "Healthy Leadership during Organizational Crisis," *Organizational Dynamics* 33 (2004), 409–425; Tony Jacques, *Crisis Proofing: How to Save Your Company from Disaster* (New York: Oxford University Press, 2017); Gerald Meyers with John Holusha, *When It Hits the Fan: Managing the Nine Crises of Business* (Boston: Houghton Mifflin, 1986); Ian Mitroff, *Why Some Companies Emerge Stronger and Better from a Crisis: Seven Essential Lessons for Surviving Disaster* (New York: American Management Association, 2005); Thierry Pauchant and Ian Mitroff, *Transforming the Crisis-Prone Organization: Preventing Individual, Organizational, and Environmental Tragedies* (San Francisco: Jossey-Bass, 1992).

disappointed. There was a noticeable lack of critical analysis, and little acknowledgment that crises could be claimed by various leaders for their own purposes. The lessons being offered in the crisis management litera-ture were almost entirely tactical ones: crises could be managed by com-municating constantly and positively to all stakeholders, planning ahead, facing facts, being prepared to make tough decisions, paying attention to your employees, and so on. Sound advice? Perhaps. But what about the nature of the claim itself?

I was, of course, aware of a number of what might be thought of as meta-theories of crises: explanations offered as to how and why urgency becomes a regular disturbance in human affairs. Perhaps the best thought-out meta-theory of crisis comes from Karl Marx and subsequent Marxist economists who posited a law for capitalist econo-mies – the "tendency of the rate of profit to fall" – as a prelude to inevitable decline.[4]

Another well-known meta-theory is attributable to sociologist Charles Perrow. Focused more specifically on "high-risk technologies" than on the economic system in which those technologies were embedded, Perrow noted how complex, tightly coupled components of a technological system rendered crises – or, to use his term, system "accidents" – normal.[5]

As radically different as they were, Marx and Perrow both offered meta-theories of the dynamics of urgency. They were, in other words, not simply offering a hypothesis on a particular situation of urgency – say, the failure of a bank or the meltdown of a nuclear power plant – but a broader notion of why urgent situations are inherent in the institutions that govern and shape the human condition.

People, a number of thinkers have suggested, may well carry in their very being a propensity toward crisis. Sigmund Freud, for instance, suggested an ongoing tension between a primal need for a strong father figure and a tendency to become overly dependent on and subservient to that same figure. Sociologist Howard Becker posited another such tension: between "Us" and the "Other." Anthropologist Ernest Becker pointed to a universal human "terror of death" as the constant driver of a desperate search for meaning. Existential philo-sophers, Jean-Paul Sartre in particular, found in that acknowledgment

---

[4] Michael Heinrich, "Crisis Theory, the Law of the Tendency of the Profit Rate to Fall, and Marx's Studies in the 1870s," *Monthly Review* 64 (2013), 15–31.
[5] Charles Perrow, *Normal Accidents* (New York: Basic Books, 1984), p. 3.

of death's certainty a source of constant absurdity inherent in the act of living.[6]

My intended focus, however, was on the micro-dynamics of claims making: how particular leaders in specific circumstances called on the dynamics of crisis, to what end, and to what effect. My original academic training is as a historian, so I examined how historians dealt with crisis.

No surprise here, historians adopted a far broader view than what is on offer from crisis management experts. Now, the titles – *The Crisis of Multiculturalism in Europe*; *The Cuban Missile Crisis*; *The Crisis of German Ideology*; *A Nation Forged in Crisis*; and *The Origins of the Urban Crisis* among them – make clear the value of a long view.[7] Management writers are often trapped by a presentist assumption that "now" – whatever "now" they are writing in – is a uniquely uncertain time besieged by crises that dwarf anything that people experienced in the past. Historians help us understand why this assumption is nonsense.

Claims of crises have been with us forever. Urgent dynamics are not the special province of any one age or place. No time is more or less prone to urgent contingencies compared with any other. All communities at all times experience "humor, and art, and passion, and love, and tenderness, and sex," noted historian Jill Lapore, along with "fear, and terror, and the sublime, and cruelty."[8] To assume otherwise is sheer folly.

In past research, I worked with the philosophy of time literature.[9] That work helps explain why the present – anyone's present at any point in history – is experienced as confounding and unsettling with myriad opportunities for claims of urgency. When it comes to the way people

---

[6] I discussed Freud's cautionary exploration of paternal leadership in Spector, "Carlyle, Freud, and the Great Man Theory More Fully Considered," *Leadership* 12 (2015), 250–260. See also Ernest Becker, *The Denial of Death* (New York: Free Press, 1997); Howard Becker, *Outsiders: Studies in the Sociology of Deviance* (New York: Free Press, 1973); Jean-Paul Sartre, *Being and Nothingness: An Essay on Phenomenological Ontology* (New York: Washington Square Press, 1943/1966).

[7] Rita Chin, *The Crisis of Multiculturalism in Europe* (Princeton: Princeton University Press, 2017); Alice George, *The Cuban Missile Crisis: The Threshold of Nuclear War* (New York: Routledge, 2013); George Mosse, *The Crisis of German Ideology: Intellectual Origins of the Third Reich* (New York: Grosset & Dunlap, 1964); Jay Sexton, *A Nation Forged in Crisis: A New American History* (New York: Basic Books, 2018); Thomas Sugrue, *The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit* (Princeton: Princeton University Press, 1996).

[8] Quoted in Alex Carp, "History for a Post-Fact America," *NYR Daily* (October 19, 2018).

[9] Bert Spector, "Using History Ahistorically: Presentism and the Tranquility Fallacy," *Management & Organizational History* 9 (2014), 305–313.

experience time, the present is always at an extreme disadvantage, particularly relative to either the past or the future.[10] The present is experienced in all its complex, turbulent, and troubling dynamics. The past, conversely, is remembered. It was experienced when it was the present, but now it is remembered.

Caught up in a confounding present, facing an uncertain future, and looking back on a past filtered through memory and nostalgia, people *always* find their present time to be one of disorienting turbulence. Urgent dynamics are not the special province of any one age or place. No era is more or less prone to urgent events compared with any other.

It is precisely the inevitable disorientation of a complex present – anybody's present at any time in any place – that is mistakenly called upon by crisis experts as evidence of a uniquely turbulent present. The present *is* turbulent. That reality, however, is not unique. So were past "presents." This historical-philosophical rejection of presentism shapes my approach to crises.

As I moved from philosophers of time to political scientists, especially those who explored state leaders, US presidents among them, I learned how these scholars identified patterns of leaders using claims of crisis for a specific purpose. In particular, it is noted that political leaders leverage crises to advance an agenda: to support entering a war or avoiding one, for instance.

Sociologists working in the fields of knowledge, social problems, and criminology focus on a claims-making process, always sensitive to the exercise of power and the assertion of interests inherent in that process of staking a claim. Management theorists have noted the role of leaders in making sense of a confusing world to their organizational stakeholders. Discourse experts pay attention to the role of rhetoric in asserting meaning. Philosophers consider ontological questions dealing with the nature of being. Experts studying narrative theory pay heed to the structural underpinnings of storytelling employed to attract and appeal to an audience. Mathematicians seek to identify a rigorous application of the notion of plausibility in constructing an argument. Psychologists look into the belief formation process, often joining cognitive scientists

---

[10] My philosophical guides on time are John Bigelow, "Presentism and Properties," *Philosophical Perspectives* 10 (1966), 35–52; Roderick Chisholm, "Referring to Things That No Longer Exist," *Philosophical Perspectives* 4 (1990), 545–556; Neil McKinnon and John Bigelow, "Presentism, and Speaking of the Dead," *Philosophical Studies* 160 (2012), 253–263; Francesco Orillia, "Dynamic Events and Presentism," *Philosophical Studies* 160 (2012), 407–414.

in seeking to explain why people may believe misleading or inaccurate claims.

By integrating these multiple streams – and *Constructing Crisis* is explicitly cross-disciplinary – I was able to derive the hypothesis that there is no such thing as a crisis. To state the argument with more fullness, I developed four propositions:

1. *A crisis is not a corporeal thing. It is rather a claim constructed by a leader from a position of power and influence and intended to shape the understanding of others.*
2. *The construction of a claim of urgency by a leader does not mean that it is necessarily legitimate; a claim may be legitimate, or it may not be.*
3. *The construction of a claim of urgency, even if legitimate, is not determinate of how people decide whether to believe the claim. Factors external to the content of the claim always help shape belief formation.*
4. *Finally, all claims, regardless of their legitimacy and believability, are attempts to enhance the power and advance the interests of the claims maker.*

A crisis, in other words, is *not* a thing to be managed, *not* an objective threat to be responded to with a special form of heroic leadership. Crisis, rather, is a claim awaiting critical appraisal.

To advance these propositions, the arguments of *Constructing Crisis* will be laid out in the following manner: Chapter 1 introduces the conceptual infrastructure of *Constructing Crisis*. The argument throughout the text is offered as a critique of the field of crisis management rather than a criticism of any particular approach. As such, it aims to reshape the way people think about crises and crisis leadership and to influence their response to various claims of urgency.

Chapter 2 analyzes the process by which crises came to be constructed as objective events, calling on the notion of reification to explore the human tendency to translate ideas, concepts, and beliefs into physical entities. Crises aren't things, but we usually think of them as such.

A big part of why we think of crises as things is that there is a crisis management industry constantly promoting that reification. Chapter 3 focuses attention on that industry as the conceptual carrier of the idea that crises are, in fact, things. By adopting uncritically that reified notion of crisis, a professional field of experts has emerged to help organizations and other social units manage through a crisis situation. Leaders are seen as the key respondents to objectively real crisis situations: planning, communicating to employees and external stakeholders, and learning from experienced experts.

The goal of *Constructing Crisis* is not simply to critique the existing dominant model of crises – what I call the "crisis-as-event model" – but

to offer an alternative model. Chapter 4 begins the process of building that alternative conceptual model – what I label the "crisis-as-claim model" – by visiting the theories and thinkers who have provided a conceptual foundation for my interpretive effort.

Rather than evaluating events – what type of crises are they? – the crisis-as-claim model advocates for sorting claims of urgency. Chapter 5 offers a classification system in the form of a typology for doing just that. The assertion of urgency by a leader is not taken as per se evidence of legitimacy of the claim. But what are the appropriate criteria for evaluation?

Claims may be legitimate or not. They may be believed or not. Chapter 6 takes the position that those two processes – determining legitimacy and forming beliefs – are not the same. The content of a claim influences belief. It is not, however, decisive. Post-truth claims come under special scrutiny in this chapter.

Claims of urgency come embedded within a story constructed by a leader. Chapter 7 introduces the construct of narrative, noting how narrative structure serves to make a claim compelling to its intended audience. Leaders create a crisis narrative that serves a purpose. It informs the audience: here is how *I* would like *you* to understand the crisis that *I* am asserting. Narratives are constructed to amplify that intended purpose.

The crisis-as-event model positions crises in the negative: as threats to be avoided if possible and minimized when necessary. Chapter 8 ventures even further afield from that traditional approach and suggests an alternative narrative in which a claim of urgency is framed as an opportunity for liberation and an enabler of progress. Rather than navigating their units *through* crisis, some leaders consciously lead their units *to* crisis to serve a higher purpose.

Chapter 9 makes an accounting of leaders as claims makers. Rather than divvying up leaders into effective and ineffective crises managers, the chapter suggests that all leaders, effective or otherwise, follow a recognizable pattern.

How and why does the formation of alternative conceptual models matter? Chapter 10 concludes my analysis by addressing that question directly. Special analytic attention will be paid to the significance of appreciating how an understanding of crises impacts the behaviors of both leaders and followers. The chapter ends with a bottom-line assessment of the implications of adopting a new crisis model.

As a reflection of my micro-theoretical focus on the dynamics of claims making in situations of urgency, I build my chapters on case studies. Starting with Chapter 2, I offer a detailed presentation of a particular situation at the beginning of the chapter, followed by numerous specific

examples throughout. To be clear, I do not offer these instances as empirical proof of *anything*. They are intended only as illustrations that, I hope, are helpful in following my reasoning. *Constructing Crisis* is *not* intended as an empirical work. My goal is not to prove something. It is, rather, to provoke thought.

I take full ownership of the argument presented here. At the same time, I am greatly appreciative for all the help and guidance I have received. Let me start my acknowledgments with my colleagues from the Northeastern University community: Nick Athanassiou, Ellie Banalieva, Allan Bird, Paula Caligiuri, Mark Huselid, Maureen Kelleher, Jamie Ladge, Anna Lamin, Harry Lane, Valentina Marano, Jeanne McNett, Dennis Shaughnessy, and Alan Zaremba. For colleagues far and wide, thanks to Joanne Ciulla (Rutgers University), David Collinson (Lancaster University), Margaret Collinson (Lancaster University), Robert Freeland (University of Wisconsin), Keith Grint (University of Warwick), Andrew Kolodny (Brandeis University), Stephan Kozak (Springfield Clinic), Naomi Laventhal (University of Michigan), Albert Mills (Saint Mary's University), Fred Niederman (St. Louis University), José Santos (INSEAD), Andrew Shuman (University of Michigan), Kayte Spector-Bagdady (University of Michigan), Dennis Tourish (University of Sussex), Christian Vercler (University of Michigan), and Suze Wilson (Massey University).

Allow me to call out the above-and-beyond invaluable assistance of two people. Joel Best (University of Delaware) was my expert guide as I worked through the world of social constructionist theory. And Milorad Novicevic (University of Mississippi) was ever-ready with support, clarity, and a relevant citation or two. Thanks to both.

Erica Kleckner, the administrative assistant for the International Business and Strategy Group, was indispensable for helping me navigate the lingering mysteries of Word and Power Point. I am pleased to have worked with Lia Petronio, who helped design the book's graphics.

I also want to take the opportunity to acknowledge Bryan Keogh, my collaborative editor at *The Conversation*. Somehow, we managed to turn out essays ("don't call them blogs!") that have reached nearly half a million readers. I still find that amazing.

At Cambridge University Press, my great appreciation to both my original editor, Paula Parish, and my current editor, Valarie Appleby. There are a great many others, of course, who are involved in producing and marketing this book. I thank you all and want to tell you how pleased I am to be part of the Cambridge University Press team.