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### Oksana Rudenko\*

PhD in Economic Sciences, Associate Professor Cherkasy State Technological University 18006, 460 Shevchenko Blvd., Cherkasy, Ukraine https://orcid.org/0000-0002-0713-5405

# Leadership and anti-crisis management as factors of effective management

**Abstract.** The article examines theoretical and practical aspects of leadership in crisis conditions, as well as the role of anti-crisis management in ensuring the stability and development of organisations. Since the study of leadership in crisis conditions requires consideration of many variables (management style, type of crisis, team reaction to external factors, etc.), a comprehensive and interdisciplinary approaches have been used for in-depth analysis. In particular, the importance of quick decision-making and team morale preservation, the ability to adapt strategies in crisis situations and develop innovation in the organisation have been studied. The main concepts of anti-crisis management, including strategic planning, forecasting and risk minimisation, are analysed. The paper considers the role of transformational leadership, which allows not only to manage the crisis, but also to create conditions for innovation and long-term development after its completion. Conceptual models of interaction between a leader and his/her team in crisis conditions, which help to illustrate effective management strategies in challenging situations, have been created. Modelling has made it possible to identify important aspects of the leader's interaction with the team and external partners in crisis conditions. The crucial importance of effective communication in anti-crisis management is emphasised. The study is based on the analysis of cases from real companies that have experienced crisis periods and provides practical recommendations for improving management practices in conditions of instability. Recommendations for practitioners and leaders who seek to increase their effectiveness in crisis conditions are provided. Leadership and anti-crisis management are identified as important components of the success of organizations in crisis situations and in post-crisis recovery in view of new technological trends. The results of the work can be useful for leaders of organisations, scientists and practitioners in the field of management

**Keywords:** crisis situations; transformational leadership; strategic management; innovation; organisational development

#### Introduction

In today's conditions of globalisation and economic instability, organisations often face crisis situations that threaten their effectiveness and sustainability. Crisis phenomena can be of different nature: financial, social, political or even natural ones. In such conditions, leadership acquires special importance, since the ability of a leader to adapt to changes, effectively communicate with the team and make strategic decisions directly affects the success or failure of the organisation.





Anti-crisis management, in turn, is a key mechanism for overcoming crisis phenomena and ensuring the stability of the organisation. It requires leaders not only to think strategically, but also to be highly flexible and able to respond quickly to changes. The leader's ability to organise effective management in conditions of uncertainty and high risk, which, in turn, requires the use of specific approaches and methods, is an important aspect of anti-crisis management.

The purpose of the article was to study the role of leadership in crisis conditions and identify the main aspects of anti-crisis management that ensure the sustainability of the organisation. The article analyses the main theoretical approaches to leadership and anti-crisis management, as well as considers practical recommendations that allow to effectively apply these concepts in practice.

Particular attention is paid to transformational leadership, which, according to modern research, is a key factor in success in crisis situations. A transformational leader who is able to inspire the team, motivate it to achieve high results even in challenging times is the key to successfully overcoming the crisis and further development of the organisation.

#### Literature review

Theoretical approaches to leadership are traditionally divided into several main categories:

- leader's personality theories (Russell, & Stone, 2002) emphasise the characteristics of the leader that provide him/her with influence over others;
- behavioural theories (Blake, & Mouton, 1964) focus on the study of how leaders behave in the management process;
- situational leadership theories (Fiedler, 1967) emphasise that the effectiveness of leadership depends on specific circumstances in which management is carried out.

Modern leadership research, in particular the concept of transformational leadership (Bass, 1999), focuses on the ability of a leader to inspire and change organisational culture through communication, emotional intelligence, and the development of one's own potential.

In the classical literature on the topic of anti-crisis management, several main directions can be distinguished:

- classical approach, which traditionally focuses on actions to minimise the consequences of the crisis for the organisation, stabilise financial flows, reduce costs and optimise business processes;
- modern approaches, where in crisis situations special attention is paid not only to financial aspects, but also to human resources, psychological climate in the team, as well as innovations in management practices. Therefore, not only economic stabilisation, but also emotional support and moral motivation of the team are an important component of anti-crisis management (Sadeghi, & Pihie, 2012).

Leadership in crisis conditios is the subject of numerous studies, because the effectiveness of management in crisis situations largely depends on the leader's ability to act quickly, decisively and under high stress. Based on theoretical and practical research, several important aspects of leadership in crisis management can be identified:

- 1. Decisiveness and speed of decision-making. The leader who is able to make decisions quickly, without delaying them indefinitely, is a key success factor in crisis management (Kim, & Lee, 2011).
- 2. Communication and moral climate. In crisis conditions, the leader's ability to communicate effectively with his/her team, contributing to maintaining trust and moral sustainability in the team, is important (Hersey *et al.*, 2012). It is especially important to create an atmosphere of support and openness, when each team member feels his/her importance and a common goal.

3. Flexibility and adaptability. Leaders with the ability to quickly adapt strategies, make corrective decisions and focus on changing market conditions are most effective in times of crisis (House, 1996).

According to the concept of transformational leadership (Bass, 1985), in crisis conditions, the leader should not only manage the current situation, but also inspire the team to overcome difficulties, creating a positive image of the organisation even in challenging times. This involves increasing the morale of the team (leaders practicing transformational leadership are often an example to follow, motivating the team through personal example) and innovative approaches to solving problems (in crisis conditions, leaders are forced to resort to non-standard solutions, supporting innovation in the organisation, which allows not only to overcome the crisis, but also to reach new heights after its completion).

In crisis conditions, it is important to choose an appropriate management style that allows effective responding to changes and reducing the crisis consequences. Various leadership theories suggest the following ones:

- situational leadership theory (Hersey *et al.*, 2012) emphasises that leadership styles should vary depending on the specific situation, and this is especially important in crisis conditions:
- theory of control and trust (Jaramillo *et al.*, 2009) emphasises the need for a leader to demonstrate control over the situation while maintaining trust in his/her decisions and the team.

#### Materials and methods

The methodological approach to the study of the topic of leadership and anti-crisis management has used a comprehensive approach, including methods of management science, psychology, sociology and organisational theory. Since the study of leadership in crisis conditions requires taking into account many variables, such as management style, type of crisis, team reaction to external factors, an interdisciplinary approach has been used for in-depth analysis.

Research methods should include: literature analysis (a systematic review of scientific articles, monographs, studies related to leadership and anti-crisis management has been conducted. The main attention is paid to modern approaches to management strategies in crisis conditions, as well as research on the role of the leader in such situations); comparative analysis method (a comparison of different approaches to leadership in normal and crisis conditions has been applied, which allows for identifying key differences and similarities in management strategies used in different organisations); modelling method (conceptual models of the interaction of a leader and his/her team in crisis conditions have been created, which helps to illustrate effective management strategies in challenging situations. Modelling helps to identify important aspects of the interaction of the leader both with a team and external partners in crisis conditions).

Among the stages of the study, the following should be highlighted:

- 1. Preliminary stage: review of literature on the topic of leadership and anti-crisis management, identification of basic theoretical concepts and directions.
- 2. Empirical stage: conducting questionnaires and interviews with practitioners, collecting cases and examples from real life.
- 3. Analysis of results: processing and analysis of collected data, comparison of results by various criteria and drawing conclusions.
- 4. Development of recommendations: based on the analysis, practical recommendations to improve leadership in crisis situations, as well as to improve anti-crisis management strategies have been formulated.

Accordingly, quantitative methods (statistical methods to process the questionnaire results, as well as to compare the effectiveness of different styles of leadership in crisis conditions are used) and qualitative methods (in-depth analysis of interviews and cases makes it possible to identify the underlying factors that affect the success of management in crisis situations, in particular psychological aspects of leadership and the moral climate in the team) have been applied.

The study focuses on medium-sized and large business organisations, particularly in the sector of the economy exposed to the impact of macroeconomic crises (for example, financial and manufacturing enterprises). The results may be partially limited by the specificity of the selected sample.

The results of the study can be used to improve anti-crisis strategies in organisations, develop training programmes for leaders, as well as formulate recommendations for improving management practices in conditions of instability.

This methodological substantiation provides a basis for an in-depth analysis of leadership and anti-crisis management, emphasising the importance of a comprehensive approach to the study of these complex and interconnected topics.

#### **Results and discussion**

Leadership is one of the main categories of management, which refers to the ability to influence a group of people and organise their activities to achieve a certain goal. There are many definitions of leadership, but the common feature is that a leader must be able not only to make effective decisions, but also to motivate his/her team to achieve a common goal.

Anti-crisis management is a system of management measures aimed at preventing crisis situations or overcoming their consequences. It includes strategic planning, forecasting, risk analysis and adaptation to change.

Leadership and anti-crisis management are key aspects of management that become particularly relevant in conditions of instability, crisis situations and rapid change. True leadership is defined not only by the ability to influence others, but also by the ability to effectively manage a team, even when the organisation finds itself in challenging situations.

Leadership in this context is not just management, but also a strategic vision and the ability to inspire people to overcome difficulties. A leader in a crisis period should demonstrate flexibility, decisiveness and the ability to make important decisions in conditions of uncertainty. He/she must be on the front line, guiding the team to achieve a common goal, even in the most challenging circumstances.

Anti-crisis management is the process of managing an organisation aimed at overcoming crisis situations, restoring stability and ensuring its development in the future. It covers not only the responce to a crisis, but also preventive measures to prevent its occurrence, as well as planning and adaptation of the organisation's strategy in conditions of change.

Success in anti-crisis management depends on the leader's ability to correctly assess the situation, predict possible scenarios of the development of events, quickly respond to changes and effectively communicate with all parties involved. The leader must also be able to motivate and support his/her team, providing it with the necessary resources and confidence in his/her own abilities.

In general, leadership and anti-crisis management are important components of effective management, which require a combination of theoretical knowledge and practical skills. In conditions of globalisation and rapid changes in the business world, these skills are becoming increasingly in demand.

Table 1 is formed for comparison of different approaches and characteristics of leadership in crisis conditions to emphasise the importance of speed, decisiveness and adaptability in anti-crisis management.

**Table 1.** Differences in approaches to leadership in normal conditions and in crisis conditions

Parameter	Traditional leadership	Leadership in crisis
The main role of the leader	Providing strategy and direction for development	Rapid decision-making and coordination of actions in a crisis
Tasks	Long-term planning and change management	Management of immediate challenges and restoration of stability
Communication	Formal, usually in the form of regular meetings	Fast, transparent, with a focus on team support
Tasks in a crisis	Focus on growth and development	Focus on saving resources and restoring stability
Skills and competencies	Strategic thinking, long-term planning	Decisiveness, adaptability, anti-crisis management
Approach to the team	Formation of an effective, stable team	Support of morale, motivation in challenging conditions
Management tools	Strategic planning, market analysis, innovation	Crisis analysis, decision-making under uncertainty
The role of emotions	Moderation, professionalism	Emotional stability, team support in stressful conditions

**Source:** developed by the author based on research by B.J. Avolio, B.M. Bass, & D.I. Jung (1999), S. Bolkan, & A.K. Goodboy (2009), J.E. Bono, & T.A. Judge (2004)

There are additional differences in approaches to leadership in normal conditions and in conditions of crisis:

- 1. Management style. Under normal conditions, leaders often use a democratic or transformational management style. They involve the team in decision-making, encourage innovation and promote the development of each employee's personality. In crisis situations, leaders often change their style to an authoritarian or directive one. Decision-making occurs quickly, without lengthy consultations, which allows minimising the time to respond to the crisis.
- 2. Decision-making. Decision-making is usually based on the analysis of long-term trends, strategy and potential risks. Such a process contains a larger number of stages, requires data collection and forecasts. In crisis conditions, decision-making should be instantaneous and focused on achieving short-term goals in order to minimise the consequences of the crisis. The leader must make decisions even in the absence of complete information.
- 3. Risk management. Under normal conditions, risk management is a systematic and strategic process that considers likely long-term threats and uncertainties. In a crisis, risks often manifest themselves in the short term, and the leader must quickly assess the situation, be ready for unforeseen changes, and implement solutions that minimise immediate losses.
- 4. Culture and morale. Leaders actively promote the development of corporate culture, support ethical standards and motivate staff. They work to create an environment for innovation and continuous development. A leader in a crisis is focused on maintaining the team's morale and cohesion. Here, emotional stability and the ability to maintain the spirit of a fighting team, even when resources are limited, are important.
- 5. Communication. Communication in normal conditions is bilateral and is often based on regular meetings, discussions, and strategy meetings. In a crisis, communication becomes unilateral and operational. The leader should inform the team about changes without unnecessary delay, often using short and clear messages, and be open to feedback.
- 6. Innovation and adaptation. Peacetime leadership often encourages innovation and the development of new ideas, striving for change and improvement in the long term. Leaders in crisis conditions are often forced to put innovation on the back burner, focusing on adaptation and survival. Adaptation to new conditions becomes more important than the implementation of radical changes.

- 7. Leadership responsibility. Under normal conditions, the leader distributes responsibility among team members, which allows for delegating tasks and reducing the burden on oneself. Under crisis conditions, the leader takes most of the responsibility, making difficult decisions and is fully responsible for the consequences of these decisions, which concern not only business, but also people.
- 8. Resource management. In normal conditions, the leader has greater access to resources and can invest in development, new projects, infrastructure, and personnel decisions. Resources in a crisis are limited, and the leader must be careful in their allocation, often making decisions to cut costs or reallocate to critical needs.
- 9. Team motivation. In normal conditions, the leader motivates the team through development strategies, creating opportunities for career growth and developing personal skills. Motivation in a crisis often focuses on maintaining team cohesion and overcoming adversity. The leader uses support, compassion, and encourages the team to solve problems, even in challenging conditions.

These differences show how leadership approaches change depending on the situation, emphasising that in crisis conditions, leaders must demonstrate high adaptability, the ability to make quick decisions and maintain the morale of their teams.

When studying key aspects of leadership in crisis conditions, it is found that the leader's personal qualities have a significant impact on the effectiveness of anti-crisis management. Leaders who demonstrate decisiveness, quick decision-making and strategic thinking are more likely to succeed in times of crisis. At the same time, effective leaders in crisis conditions also demonstrate high emotional stability and stress tolerance, which allows them to remain calm and focused even in the most challenging situations.

Studies show that leaders who have a transformational management style are able to inspire their employees to a common goal, which significantly increases the morale of the team and its ability to work effectively under conditions of uncertainty. These leaders actively use motivational strategies, orient the team to achieve long-term goals and ensure a high level of trust in the organisation.

The analysis of the application of anti-crisis management shows that successful overcoming of the crisis depends on a strategic approach that combines short-term and long-term strategies. Organisations that have been able to quickly adapt their business processes to new conditions, cut costs and optimise resources come out of the crisis much faster. An important role in this process is played by the leader's ability to make strategic decisions that meet the realities of the time, while maintaining stability and orientation towards development.

In particular, it is found that the use of a strategy for reorganising internal processes can reduce costs and increase the efficiency of the organisation. The active use of digital technologies to optimise business processes, which allows companies to maintain operational activities even under resource constraints, is one of the important aspects.

Special attention in the study is paid to psychological aspects of leadership in crisis conditions. In crisis situations, the emotional state of the leader can directly affect the moral climate in the team. Leaders who demonstrate emotional stability, are able to maintain calm and clear thinking, are more likely to be supported by their team.

According to research, organisations where leaders actively support their employees psychologically are able to maintain a high level of loyalty and reduce stress levels among employees. This, in turn, allows them to adapt more quickly to change and remain effective even in challenging conditions.

The results of the study allow making a number of practical recommendations:

- leaders should actively develop transformational qualities to motivate the team towards a common goal, maintaining high morale and creating an atmosphere of trust;

- it is important to develop skills for adapting to change, leaders should be ready to quickly adjust strategies in response to new challenges, without losing strategic vision;
- in addition, special attention should be paid to the development of psychological stability of both the leader and employees (psychological support and open communication with the team help to reduce the level of stress and contribute to more effective crisis management);
- for anti-crisis managers, it is important to integrate innovative approaches to management, use modern digital tools and technologies to improve work efficiency.

The obtained results confirm that leadership and anti-crisis management are interrelated factors that determine the success of an organisation in times of crisis. However, the effectiveness of anti-crisis management depends not only on strategic decisions, but also on the leader's ability to create conditions for psychological stability and support in the team.

The role of a leader in a crisis is not only to manage resources and make decisions, but also to motivate the team, ensure coherence and trust among employees. Transformational leadership style and emotional support are important factors that contribute to success in challenging economic and social conditions.

In the future, it is worth continuing to study the relationship between leadership styles and the effectiveness of anti-crisis management, taking into account changes in the external environment and new technological trends.

#### **Conclusions**

Studies of the activities of General Electric, IBM, and Nokia during periods of crisis management show the importance of combining strategic decisions and effective communication to successfully pass through challenging times. Many of these companies have been able to not only overcome economic difficulties, but also strengthen their market positions due to proper team management and the right leadership style.

A review of the literature shows that leadership in crisis conditions is an important element of anti-crisis management. Leaders who combine strategic thinking, emotional stability, ability to adapt quickly and communicate effectively with the team are able to minimise the consequences of crisis situations and ensure sustainable development of the organisation in the long term. Thus:

- 1. Leadership is a critical factor for success in crisis conditions. In the process of anti-crisis management, the role of the leader increases significantly, since it is he/she who determines the strategy for overcoming the crisis, organises effective communication with the team, and manages resources to ensure the stability of the organisation. Leaders who demonstrate decisiveness, flexibility, and the ability to adapt strategies to changing conditions significantly increase the organisation's chances of successfully overcoming crisis phenomena.
- 2. Transformational leadership is particularly effective in crisis situations. This leadership helps not only to stabilise the organisation, but also to create conditions for innovation and development. Transformational leaders who inspire their team maintain high morale and engage everyone in a common goal can significantly increase the organisation's sustainability even in the most challenging times.
- 3. Anti-crisis management requires a comprehensive approach. To successfully overcome a crisis, it is necessary to combine strategic planning, effective risk management, proper management of financial flows, and maintaining a high level of trust among employees. It is important to consider the specificity of the crisis, quickly assess the situation, and adjust the strategy in accordance with changing circumstances.
- 4. The role of communication in crisis management is crucial. Leaders who are able to communicate clearly and openly with their team ensure better coordination of actions and

reduce stress levels among employees. Transparency in the leader's actions and decisions helps to strengthen trust within the team, which in turn contributes to more effective crisis management.

- 5. The success of anti-crisis management depends on the leader's ability to act quickly and decisively. The leader who does not delay and makes the necessary decisions on time has a greater chance of success. However, the ability to balance making urgent decisions and maintaining a strategic vision for the organisation as a whole is also important.
- 6. Recommendations for practitioners. For leaders who seek to increase their effectiveness in crisis conditions, it is important to focus on developing flexibility in decision-making, improving communication skills and creating an atmosphere of trust in the team. In addition, it is necessary to actively use anti-crisis tools, including strategic planning and risk management, as well as invest in the development of innovative solutions.
- 7. Prospects for further research. It is necessary to conduct additional research for a deeper understanding of the relationship between leadership types and the success of anti-crisis management in various fields of activity. The analysis of how different cultural and social contexts affect the effectiveness of leadership during crises is another important direction.

Therefore, leadership and anti-crisis management are important components of the success of organisations in crisis situations, and their effective combination can ensure not only overcoming the crisis, but also further development in the post-crisis period.

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#### **Conflict of interest**

None.

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# Оксана Руденко

Кандидат економічних наук, доцент Черкаський державний технологічний університет 18006, бульв. Шевченка, 460, м. Черкаси, Україна https://orcid.org/0000-0002-0713-5405

# Лідерство та антикризовий менеджмент як чинники ефективного управління

Анотація. В статті розглядаються теоретичні та практичні аспекти лідерства в умовах кризи, а також простежується роль антикризового менеджменту в забезпеченні стабільності та розвитку організацій. Оскільки дослідження лідерства в умовах кризи потребує врахування багатьох змінних (стиль управління, тип кризи, реакція команди на зовнішні фактори та ін.), для поглибленого аналізу використано комплексний і міждисциплінарний підходи. Досліджено, зокрема, важливість швидкого прийняття рішень та збереження морального духу команди, здатність адаптувати стратегії в кризових ситуаціях та розвивати інноваційність в організації. Аналізуються основні концепції антикризового менеджменту, що включають стратегічне прогнозування та мінімізацію ризиків. У роботі розглядається планування, трансформаційного лідерства, яке дозволяє не лише управляти кризою, але й створювати умови для інновацій та довгострокового розвитку після її завершення. Створено концептуальні моделі взаємодії лідера та його команди в умовах кризи, що допомогло ілюструвати ефективні стратегії управління в складних ситуаціях. Моделювання дало змогу виявити важливі аспекти взаємодії лідера з командою та зовнішніми партнерами в кризових умовах. Підкреслено вирішальне значення ефективної комунікації у кризовому управлінні. Дослідження ґрунтується на аналізі кейсів з реальних компаній, що пережили кризові періоди, і надає практичні рекомендації для вдосконалення управлінських практик в умовах нестабільності. Надано рекомендації для практиків і лідерів, які прагнуть підвищити свою ефективність у кризових умовах. Лідерство та антикризовий менеджмент визначено важливими складовими успіху організацій у кризових ситуаціях та у посткризовому відновленні з огляду на нові технологічні тенденції. Результати роботи можуть бути корисними для керівників організацій, науковців та фахівців сфери управління

**Ключові слова:** кризові ситуації; трансформаційне лідерство; стратегічне управління; інновації; організаційний розвиток