Three-Phase Model

Things we cannot change, change us.

2.1 Phase Model

In unprecedented situations, it is the responsibility of the leaders to pilot the organization through the difficult, stormy period without too much damage. According to management literature, that responsibility can be differentiated into three capacities. These three capacities follow a route map as shown in Fig. 2.1.

This model is based on academic research by Farney, Kibler, and Down (2019) and is known as the Three-Phase Model for rebuilding communities of practice. Their study suggests that leaders in countries, regions, and organizations hit by a crisis follow the steps as shown in the Three-Phase Model. As components of their crisis- and risk management they manage their community in three stages; the classical route as known in the crisis management literature. This route reflects a leadership approach from Response to Recovery and from Recovery to Reconstruction.

Underlying this stage model is the assumption that leadership in turbulent times means a dynamic approach to management. Leadership during Phase 1 is of a different sort than during Phases 2 or 3. Changed circumstances require shifting frames of action. Applying this model requires flexibility in both thought and action. Leadership in times of uncertainty is thus situational, adaptive, dynamic and to a certain degree pragmatic.

2.2 Route Map

This phase model functions as a nautical chart for business leaders. Leaders could zoom in on details in the operation, but it is better to zoom out and to see in what phase the company is. The model helps leaders to navigate from a strategic executive
level, recently coined by Damian O’Doherty as the “go-pro perspective” (O’Doherty, 2020). Becoming “go-pro” helps to see and delimit the contours of situations, including related risks and responsibilities. The go-pro perspective together with knowledge of the Three-Phase model are useful for leaders to read the circumstances in which they operate and to keep the overview. This helps to understand what should be done in changing situations and adapt in the right way and at the right time.

The Three-Phase model is not a route map. A route map is a plan for going from point A to point B using the in-between distances shown in the Three-Phase model. Organizations navigating in straitened situations use the Three-Phase Model as their GPS system. This gives them an overview and puts situations in perspective—to be sure, with uncertainty, but still enough confidence to open up and mark out a space of not-knowing. This can be risky but marks the work of a leader who creates the conditions for the employees in the organization. Here, leadership is about taking responsibility for the approach to adaptation. It is not just about sharing information about what stage the organization is at. From a leadership perspective, the three-phase model identifies what approach leads to adaptation. In phase 1, leadership is a response goal to be in control. In phase 2, leadership is a response process to cope with the new situation. In phase 3, leadership is a transformative process to develop towards a new equilibrium, a new normal.

2.3 In Perspective

One can place the model in perspective by arraying the phases along two dimensions: time and context. In this way, phases correspond to the circumstances of a given period. In model format, that looks like what is depicted in Fig. 2.2.

On the horizontal axis, the three phases are depicted in categories: 1, 2, and 3. On the vertical axis circumstances are also depicted in categories: Darker, Transition, and Lighter. Those represent three distinct levels for calculated risk: High, Medium, and Low. Those levels are often indicated as Code Red, Code Orange, and Code...
Yellow, indicating the levels of risks in organization, countries, regions, or business sectors.

Moreover, the phase in which an organization finds itself, can differ by sub-unit. One part of the organization can be in Phase 1 and another in Phase 3, etc. It is up to leaders to correctly identify the situation per team or department. This requires an overview and the ability to manage different tracks at the same time. Valuable leaders are able to do the right things at the right moment for the right employees.

### 2.4 Three Phases Defined

#### 2.4.1 Phase 1: Response Phase

Phase 1 entails creating a common consciousness and offering timely or perhaps contemporary solutions. Specifications of Phase 1 are

- **Mood:** Code Red—Emergency, dark skies, bleakness
- **Guidance from:** Response Group
- **Metaphor:** Navigating in the haze
- **Goal:** Bringing order to chaos
- **Result:** Sense of togetherness and solidarity

When an organization finds itself in Phase 1, it is threatened by unprecedented events in the external environment. This is what we call Code Red. In this phase leaders are overwhelmed by circumstances they do not know, did not foresee, and which they hope they can cope with. What to do, then, to respond and keep your head above water? There are a number of very relevant actions for going through Phase 1 and, thereafter, entering Phase 2.
2.4.1.1 Actions in Phase 1

Action 1: Create a New Consciousness
Goal: In this phase, all team members realize that the world looks quite different than it did before. There is a new reality and it is a serious transition. Here it is imperative for leadership to provide as much communication as needed to create an umbrella of resilience. This can be done by creating awareness of the nature of the challenges and acknowledging the collective stress situation. Furthermore, leadership in this phase includes the recognition of the organizational vulnerability but also the ability to cope with the new situation.

This action comes with leadership that expresses a “sense of urgency” and communicates quickly and effectively.

Action 2: Indicate to Employees Their Responsibilities
Goal: In this phase employees realize they mainly have to focus on themselves, to bring themselves to safety. The field of vision within an organization is kept small: people are managed towards self-orientation. After that, the next step could be that they assist direct colleagues with reaching safety and feelings of security.

Action 3: Provide Employees with Emergency Assistance and/or Material Support
Goal: In this phase, leadership is about offering material support where necessary. They direct their attention to people and their primary life-requirements. Are they safe? Do they have enough food? Are they under shelter? Can they sleep and live a sheltered, shallow, physical existence? Paying attention to—and providing—these basic needs is a pre-condition for getting people (back) to work.

Action 4: Ensure Employees Feel Safe and Secure
Goal: In this phase, leadership acts as a caring father-figure—namely as a leader who exudes the confidence that he/she is someone upon whom employees can rely, as a solid rock in the storm, as a shelter in a seemingly hopeless situation. “To lead” functions here as a verb meaning providing employees with support and relief so that they gain a sense of safety. That is important: the more threatening the situation, the more such a shelter is needed to bind people to each other and motivate them. Any leader in Phase 1 that misses this point increases the risk of damage to the social fabric that holds a community or organization together (Sapirstein, 2006). What people want to see is a dominant attitude like: “This is my aircraft!”

Action 5: Bonding and Uniting Employees
Goal: In this phase, leaders function also as a caring mother-figure. In a crisis event, there is always the danger that everyone will only look out for themselves, that each loses sight of the other. And that is not good for the collective force that is necessary to pull the organization out of the mire. That is why a leader connects employees and bring them together. By this, people will hear each others’ story and thereby will feel united again. According to the motto “Sharing pain halves the pain,” this action functions as facilitator of the collective emotions in the organization. By bonding
and uniting employees, the leader justifies collective emotions and increase feelings of togetherness and collectivity again.

These actions lead to the attainment of Phase 2.

**Discussion Questions**

**List What You Have Learned of Phase 1 Leadership**

**Question A:** Which actions work for you?
- What would you do in addition during this phase?
- What would you *not* (or in some other way) do?

**Question B:** How do you provide direction in Phase 1, a time of uncertainty?
- What do you find to be most important to do in this phase?

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### 2.4.2 Phase 2: Recovery Phase

Phase 2 entails channeling energy and building on mutual confidence and shared vision. Specifications of Phase 2 are

| Mood:          | Code Orange—Regression, the storm breaks |
|---------------|-----------------------------------------|
| Guidance from:| Recovery Group                          |
| Metaphor:     | Cut to the chase                         |
| Goal:         | Increase support and stewardship         |
| Result:       | Collective hope                          |

When an organization finds itself in Phase 2, the workforce has regained a hold on the situation. Glimmers of light break through on the horizon. It is Code Orange: still a time to be cautious, but people are once more gaining enough energy to take up their work again, to resume their activities. What to do to awaken that energy and get the wind back in the sails? There are a number of very relevant actions for going through Phase 2 and, thereafter, entering Phase 3.

#### 2.4.2.1 Actions in Phase 2

**Action 1: Building Collective Trust**

Goal: In this phase, belief grows in the steering ability of the leader and his/her management team. Leaders gain the confidence of employees. Mistrust and belief still clash, but belief in each other emerges as the winner. The “must-dos” of Phase 1 for the crisis management team yield to a display of leadership, responsibility, spirit. Leaders gain trust above all when they leave well enough alone where that is possible but show iron resolution where that is required. Through this action, employees are able to build upon that leadership and come to believe that everything will turn out well.
**Action 2: Work on a Common Vision**
Goal: In this phase, leadership works on creating clarity over the organization’s compass and common starting-points. What really matters? What do we believe in? From which principles do we work? What are the rules of the ship? Leaders must make this vision clear via values and norms, and then follow those. Once their validity is (again) crystal clear, people are glad to turn to them for guidance. These principles can also serve as points of orientation to which people can hold each other accountable, from which they can make demands on each other. In this sense, this action streamlines the conduct of all an organization’s employees.

**Action 3: Work with Symbols and Metaphors**
Goal: In this phase leaders make clear what is the ultimate aspiration of the journey of the organization. This can be done via symbols and metaphors. These can appeal to employees and can give them something to relate to or to echo. The result is a living belief with a shared purpose and common language. This has a unifying effect. At the same time could a symbol or metaphor be a source of hope and comfort. In the past, there was much done by leaders with metaphors. Some caution with this is important though.

For example, sports metaphors are quite popular. However, in sports, the rules of play are always and everywhere the same, something that can hardly be said of contemporary organizations. Pyramids and houses are also used quite often as metaphors, but since these are also rather static concepts then perhaps a ship sailing through the fog and against the wind, on a rolling sea, is a better metaphor for organizations in modern times. Or else an airplane dealing with the same sort of interactions with the elements.

**Action 4: Nurturing Mutual Solidarity**
Goal: In this phase, leaders concentrate on the collective, on solidarity. We are all in the same boat, in that we are all pulling in the same direction and believe in what we are working on. The “boat” here is the organization, the “same direction” is to the common destination, i.e., the organization’s very meaning, and what we are working on is its activities and services. This action also drives home the realization that each of us can only make it by depending upon others. In order to be able to steer on the basis of mutual solidarity, leaders need to emphasize that this mutual cooperation and assistance is important if the destination is ever to be attained.

**Action 5: Provide Employees Hope**
Goal: In this phase leaders rouse employees’ innate desires. They point to the results to be gained if everything goes well. In this way, employees gain hope as well as the desire to attain that situation. And it is via that desire that ambition arises, and via that ambition movement. Desire and hope are important drives for people at work. Put another way: hope gives you life. Then again, hope is different from optimism. Hope you gain from others; optimism from yourself.
Thinking positively and managing yourself to remain optimistic in life are things that work inside-out. As for being hopeful and maintaining a vision of how to keep going, no matter what: those are outside-in. The outsider here is the leader, and for the employee, the one who provides hope is his/her leader. Hope grows when someone or something else provides perspective. In the closing phase of Phase 2 all employees have regained hope and function as each other’s hope-givers.

Discussion Questions
List What You Have Learned of Phase 2 Leadership

Question A: Which actions work for you?
- What would you do in addition during this phase?
- What would you not (or in some other way) do?

Question B: How do you provide direction in Phase 2 in a time of uncertainty?
- What do you find to be most important to do in this phase?

2.4.3 Phase 3: Reconstruction Phase

Phase 3 entails developing collective intentions, enterprise, and general alertness. Specifications of Phase 3 are

Mood: Code Yellow—Clearing weather, lighter skies
Guidance from: Reconstruction Group
Metaphor: Hoist all sails, all hands on deck
Goal: Individual responsibility, involvement, and active participation
Result: Shared dreams, spontaneous actions, and common goals

When a ship finds itself in Phase 3, a new horizon beckons. Perspective has been gained, and the crew is in the mood to get going. Employees find each other again and resume cooperating to contribute to the organization’s very meaning—as an individual, a team, or a collective. It is Code Yellow. Yes, circumstances are still uncertain and turbulent, but the means to proceed full speed ahead has been found. How to keep hold of that, how to maximize that flow of energy within and between individuals? In Phase 3 they drive each other crazy! There is true passion, in the sense of a shared love for their work. What they missed in Phase 1—namely, working towards a dream—they find again in Phase 3. There are a number of very relevant actions for attaining Phase 3 and remaining there.

2.4.3.1 Actions in Phase 3
Action 1: Develop Collective Intentions
Goal: In this phase, land is in sight, so the question arises: Where do we drop anchor? Establishing a common goal is of great importance in this phase. An organization is not a democracy and therefore this action requires leadership. Leaders should not
just proceed via conversation towards a desired destination, the organization’s ultimate aspiration. Rather, they must make clear just why the ship is proceeding and to where it all must lead. Leaders must raise this common goal above the waterline and keep it there. Once its validity is (again) crystal clear, people are glad to turn to it for guidance. That goal functions as an orientation point towards which all work is directed. In this sense, the action streamlines the conduct of all an organization’s employees. One part of this action is that the leader makes clear that the organization is not there for the employees, rather the employees are there for the organization. This action must lead to a collective desire to attain the common goal.

**Action 2: Shake Employees Awake**

Goal: In this phase, all employees realize that things have gotten serious. Employees are shaken awake, realize that the margin for success is tight and that they must rely upon each other. “All hands on deck” is the signal radiated by leadership. “Relaxation” and “balance” are words that do not belong here. Evolution and dynamic resilience are more applicable. This action can lead to employees becoming alert to opportunities and to sudden changes that may present a challenge or discontinuity. It is up to leadership to put employees in such an awoken, alert state and keep them there. That can be done by urging them to make them aware of the relevance of their resilience and make them responsible for being resilient. For this, it is useful to empower employees and to be open for their ideas and suggestions. What works, is leadership that could be described as communication by conjunction with open avenues for constructive ideas and plans for action.

**Action 3: Build Up Collective Confidence**

Goal: In this phase, employees become convinced that things will work out well. This belief boosts the confidence in the organization’s powers in terms of support as well as effectiveness. Believing turns into trust and knowing for sure; believing in each other becomes the foundation of work relationships. Employees take up their responsibility for their own work and for the quality of their co-workers. Together, they put their shoulders to the work and develop each other. By this, all employees build the company, as individuals (including leaders), as related co-workers, and as one workforce. In this phase, the power of their quality all the employees and the power of their relationships are the building blocks of the company. Gradually, there arise mutual relationships in the organization that lead to cooperation and effective social networks.

**Action 4: Spark and Inspire Each Other**

Goal: In this phase, energy flows within and between individuals. Employees inspire each other to do their very best in such a way that the organization functions optimally. For this, it is useful if leaders communicate often and clearly that employees should want to contribute to the ultimate aspiration of the organization. That should be the focus and source of inspiration. Then, employees do their work out of love for organizational purpose, for the work that has to be done, for the colleagues, and/or for the intended goals. What arises from such action is flow: an
internal state in which people lose their sense of time as they become absorbed in their own activity and their work with others.

**Action 5: Become an Ecosystem**

**Goal:** In this phase, employees get to know each other better. They begin to see the human being behind their colleague. Connection arises based on communalities, beliefs, values, emotions, talents. There grows a common ground with helping and building colleagues. The organization gets a building culture. There also arises “connection in common responsibility.” Employees who feel connected help each other to become better. Leaders stimulate this by connecting employees to each other and by committing themselves to what they will do and to be clear about what they do feel responsible for.

**Discussion Questions**

**List What You Have Learned of Phase 3 Leadership**

**Question A:** In which phase does your organization now find itself? How did that come about, in your opinion?

**Question B:** Make your action plan.

2a: On the basis of the Leadership Three-Phase Model and the knowledge and insights associated with that, indicate per phase your desired leadership focus. Figure 2.3 can be used for this as your worksheet.

2b: Apportion responsibilities per phase among the members of your team. On the worksheet put down after the desired leadership actions your name and those of your colleagues. Do this on the basis of the (potential) qualities held by each of you.
2.5 Case

2.5.1 Leadership in The Netherlands During the Coronavirus Outbreak in 2020

By February 2020 the outbreak of the coronavirus in the Netherlands was a fact. The seriousness of the situation quickly became apparent. The Dutch government took action with measures that forced organizations into a crisis situation. The country found itself in heavy weather.

Phase 1 broke out on 12 March when it was announced that everyone was required to work from home, with the exception of people working in what were defined as vital occupations.

A reconstruction of the leadership and policy points during the several periods according to the Three-Phase Model. See Fig. 2.4.

Discussion Questions

Question 1: What sort of traits did you see in the leadership of the Dutch government during the corona pandemic?

| Phase     | Period | Trait 1 | Trait 2 (if needed) |
|-----------|--------|---------|---------------------|
| 1. Response |        |         |                     |
| 2. Recovery |        |         |                     |
| 3. Reconstruction |        |         |                     |

Question 2: The way things turned out was by no means self-evident. Why would government leaders have made the choices that they did?

Question 3: What can we learn from this approach about B.V. Nederland’s leadership?

Fig. 2.4 Reconstruction of the Leadership Three-Phase Model after coronavirus outbreak in NL
Reflection Question

Question 1: What traits would B.V. Nederland’s leadership have shown if it had been up to you?
   Please clarify your answer per phase.

References

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