When a strike looms, these are the leadership qualities that matter most

A case from Spain’s ceramics industry shows how practical wisdom and prudent action — not quick fixes — are most effective when labor relations break down.

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For over 50 years, Ceramics of Andalucia (fictitious name of real company) had built up a solid reputation as a premier manufacturer of artisanal products, from decorative tableware to tiles, emblematic of the southern Spanish region. Spain's homeware ceramics industry generated 1.5 billion euros in sales in 2023 alone. Ceramics of Andalucia was a market leader, standing out for its high-quality craftsmanship compared with cheap imitations. It had also responded to sustainability concerns by using more recycled materials and lowering its energy emissions through more efficient manufacturing processes. The local workforce had grown to 550 employees, becoming a source of national pride as it exported its trademark goods around the world.

But cracks were appearing, both literally and figuratively. The more they ramped up production, the more that workers complained they were being rushed. The glazers, especially, complained of being stressed out by tight time targets, compromising their attention to detail. As the quality of their work went down, customer complaints went up. On top of this, overworked machines began to break down with greater frequency, which negatively affected productivity. The workers were at breaking point, so they threatened to go on strike just as the busy summer season, a major source of revenue, was fast approaching.

If you were the manager in charge of production and personnel, what would you do?

This is the focus of a business case study we developed, which neatly encapsulates the multiple challenges and tricky trade-offs that many managers may likewise be facing today. Here, we offer some reflections for those who must tackle leadership and operations management challenges simultaneously. In such times, there is intense pressure on managers to act. But before stepping in, it's important to step back.

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What is the problem?

The prudent leader is one who not only moves people to action but also makes a good diagnosis of the problem first. In the same way that when you go to the doctor for a headache, a pill may help the headache go away but not address the underlying cause, many managers act by silencing headaches, when what they ought to be doing is understanding the root of the pain.

For example, is a workers' strike a cause or a symptom? For whatever problem you face, start by asking yourself and your teams this powerful question: *What is the problem?* This is not superfluous — it focuses everyone's attention on what truly matters.

In Ceramics of Andalucia, the workers threatened strike action because they complained they weren't being paid fairly for the amount of work they were doing. So, is raising wages the answer? It may avert the strike in the short term, but does it solve the actual problem? Does a higher hourly rate solve morale problems if the production schedules remain unrealistic and

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customer complaints over poor quality craftsmanship continue? And if raising wages doesn't solve the underlying problem, might it create cash flow problems later on? Then what have you really solved?

A leader invites people to think, to learn, to see more and see better. As with many business problems, there is usually not one single answer. A problem has many subparts, like the branches of a tree, and understanding each subproblem in isolation won't allow you to make a proper judgment. You have to see how all the different branches are interconnected, to see the full system, and then you can interrogate that system. Doing this is what sets leaders apart.

It is also the hallmark of the general management perspective. There is not just one lever to pull, but multiple levers, each impacting the other, requiring a cross-functional view. Depending on the context, resolving operational tensions may or may not require the involvement of HR in addressing the erosion of trust between employees and their supervisors. Revising the incentive system is a financial matter on the one hand, yet it also impacts suppliers and may undermine morale in other departments that don't get the same pay rise. And then there are reputational issues, as any loosening of environmental standards will expose the company to public criticism.

Practical wisdom, a process of seeing, judging and acting

Given such complexity, where does one begin? Although it depends on each decision-making context, what we can say is that it requires prudence and "practical wisdom" — the title of a book written on the occasion of IESE's 50th anniversary and which distills what we feel is the very essence of management.

A strike is confrontational by nature, so naturally one may be tempted to react with fear or anger. The prudent manager knows not only when and how to act but when and how *not* to act, because reacting in fear or anger could end up making the situation worse.

The leader has to wear many hats. You are not going to solve the problem thinking only as an HR manager, a quality-control manager or a finance manager — you need to integrate all these perspectives. You need to be humble enough to acknowledge what you don't know, and get the advice and understanding that's missing around the table in order to make an informed judgment. It requires listening to diverse voices to help interpret reality, leading

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through asking questions, creating a space for conversation where dissent is not just allowed but actively encouraged in order to see reality more completely.

The process can be summed up like this:

Seeing (what is happening)
Observing deeply, broadening your point of view, considering diverse perspectives, listening attentively.

Judging (why it is happening)
Analyzing, understanding the causes, discerning alternatives, assessing consequences.

Acting (how to respond)
Deciding responsibly, with a sense of the common good, firmness when necessary and caution when appropriate.

Short-circuiting this sequence often leads to leadership failure. Paradoxically, precisely because a strike forces urgency, that is all the more reason to take a beat — go for a walk, have a coffee with a colleague, listening out to help fill in the gaps in your thinking and reasoning. Indeed, if this were an integral part of your daily management routine, then simmering tensions might never reach the point of boiling over. Frequently, crises erupt from not paying attention. Taking the pulse of your workers earlier and regularly may, if not prevent crises from happening, then at least fill out your perception of reality, so you can anticipate any clouds gathering on the horizon and prepare for the coming storm.

A word of caution: Even with deliberate effort, don’t expect to have 100% of the information you need. And note that what counts as “enough” depends on the context. In many situations, aiming for perfect certainty only delays action. The bigger risk is defensive decision-making — choosing the option that’s easiest to justify after the fact. A clear stance from the top helps prevent this: If leaders signal that, say, 70% of the relevant information is sufficient, and that good-faith decisions won’t be punished for outcomes that could not reasonably have been predicted from that 70%, the organization stays agile. Then you decide, learn and keep revising your judgment as new information comes in — building competence through iteration, like training builds strength.

In this era of conflict and change, prudent leadership and practical wisdom are more necessary than ever. Success belongs not to those who have all the answers, but to those who ask the right questions; not to those who impose, but to those who invite reflection; not

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to those who merely react, but to those who know when to speed up or slow down, guided by an overarching purpose.

There are multifaceted sides to the Ceramics of Andalucia story. The case makes the point that strikes are rarely ever only about pay or work schedules. At root, they are tests of whether managers see reality, judge fairly and act with integrity. Leaders earn their place by building a shared reality and making disciplined trade-offs between operational excellence and economic conditions, while ensuring human dignity in the process. Assembling these disparate pieces requires all the skill and care of seeing a beautiful Spanish mosaic finally come together.

MORE INFO: The business case study "From plates to protests: a leadership crisis in Ceramics of Andalucia," by Alejandro Moreno-Salamanca and Sebastian Hafenbrädl, is available from IESE Publishing.

This article is included in IESE Business School Insight online magazine No. 172 (May-Aug. 2026).

READ ALSO:

Sabiduría práctica. 50 años del IESE (Practical Wisdom: 50 Years of IESE) by Carles M. Canals (Planeta, 2009).

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Managing a strike

IESE Prof. Mireia Las Heras and José Pérez, in association with the International Center for Work and Family (ICWF), have produced an interactive case study on ISS, the workplace and facility management company, exploring issues related to labor relations, unions and strike action. As part of that case, watch this video explainer on "Managing a strike: Introduction to unions."

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