



Joseph Michelli, Ph.D. **WILL YOU EMERGE
STRONGER THROUGH ADVERSITY?**

Former heavyweight boxing champion, Mike Tyson, once observed, “Everyone has a plan until they are punched in the mouth.”

In 2020, a universal mouth punch came from a submicroscopic organism 1/1000th the width of a human hair. In keeping with Mike Tyson’s metaphor, COVID-19 knocked out some businesses immediately and made others wobble in the early rounds. Some companies actually became stronger through the adversities of the pandemic. So, what are the differences between brands that collapse, survive, or thrive? Part of the answer is simply good fortune. For example, COVID-19 produced meteoric growth for Zoom Video Communications while posing survival challenges for American Airlines. In addition to variable impact, survival through and beyond the pandemic depended on leadership and organizational agility.

I suspect you had a well-crafted 2020 strategic plan and doubt that your roadmap had much value by the second quarter of the year. For example, in January I was writing a book about GODIVA Chocolatier. By late February 2020, that project was on hold and I was working on a variety of COVID-19 taskforces. As I watched leaders struggle with the pandemic, I began asking them what they were learning about stewarding teams and organizations during the worst crisis of their lifetime.

Over the ensuing months, I engaged in conversations with board members, founders, CEOs, presidents, C-suite leaders, and vice presidents of highly recognizable brands. To balance the perspective of these talented for-profit leaders, I also reached out to an equally impressive group of senior leaders at nonprofit organizations, academic institutions, and public safety agencies. To avoid partisanship or divisiveness, I chose not to engage political leaders. I am certain historians will sufficiently critique the decisions and actions of that group.

Survival through and beyond the pandemic depended on leadership and organizational agility.

I captured the insights of these leaders (more than 140 in total) in a McGraw-Hill book titled *Stronger Through Adversity*.

Business leaders represented brands such as:

- Airbnb
- Barron's
- DHL Supply Chain
- Goldman Sachs
- Kohl's
- Marriott
- Mercedes-Benz
- Microsoft
- Panasonic
- Quest Diagnostics
- RBC
- Roche Diagnostics
- Siemens
- Southwest Airlines
- Starbucks
- Target
- Verizon
- Volkswagen

Nonprofit and academic leaders represented organizations and institutions such as:

- American Red Cross
- Direct Relief
- Feeding America
- Goodwill
- Human Rights Watch
- Humane Society of the United States
- St Jude's Children's Research Hospital
- Salvation Army
- United Way
- University of Arizona
- University of Tennessee
- Yale University

Here are just a few actionable insights shared in *Stronger Through Adversity*.

1 | Poet John Donne was right. No [person] is an island. In the pandemic, effective leaders reached out to peers and even competitors to share ideas and best practices for maintaining short-term and long-term viability. Jim Mortensen, President & Chief Executive Officer at Ste. Michelle Wine Estates, described the benefits of collegueship by noting, “I was fortunate to be invited by former Washington state governor, Christine Gregoire, to participate in Challenge Seattle—an alliance of about 20 of our region’s largest employers. I am grateful for the support participants gave one another during the pandemic, and more importantly, I am amazed by the magnitude of issues we collectively addressed.”

Challenge Seattle’s leadership community included CEOs, Presidents, and Board Members from companies like Alaska Airlines, Amazon, the Bill & Melinda Gates Foundation, Boeing Commercial Airplanes, Costco, Microsoft, Nordstrom, REI, Starbucks, and Zillow. Jim noted, “In the CEO role, you try to make well-informed decisions driven by data and analysis. Early on, other than Johns Hopkins University data on global infections and fatalities, there wasn’t a lot of information my team and I could use to identify patterns or anticipate the future. It was a gift for me to be involved in Challenge Seattle because it was like being in a forest surrounded by massive trees. Thanks to former governor Gregoire’s leadership, we challenged each other to see and understand different perspectives, share data, offer analyses, contribute ideas, think deeper, and make recommendations.”

Functionally, Jim described a process where leaders crowdsourced information and fostered a deep understanding of pandemic related problems facing customers, communities, and the alliances' respective businesses. The group offered a safe environment for discourse, debate, and disagreement.

The notion that leaders are “self-made” or “self-sufficient” is illusory.

Through the group's meetings and homework assignments, leaders stayed data driven and benefitted from insights of brands with a global perspective. For example, a Microsoft team member living in China called into a group meeting as the virus was just emerging in Washington state. Jim concluded, “The work done in Challenge Seattle allowed us as employers to take action on behalf of our teams, customers, and other stakeholders well in advance of guidance or regulation from our political leaders. In our case at Ste. Michelle Estates, it allowed us to be on our toes, not on our heels. It helped us anticipate the protocols and procedures we needed before we had a COVID-19 positive case in one of our production facilities in Eastern Washington and before we re-opened our tasting room to our 400,000 annual visitors.” The notion that leaders are “self-made” or “self-sufficient” is illusory. Crises, by their nature, serve as great equalizers, often forcing people to come together to grab a foothold on rapidly changing terrain.

2 | The humble and authentic prevail. With social distancing, technology-mediated customer interactions, and many team members working remotely, leaders found themselves becoming more transparent and authentic in their interactions. They were more inclined to admit what they did not know, acknowledge shortcomings, and bring more humility to their work. Jeff Dailey, CEO of Farmers Insurance, described his heightened transparency by noting, “I have to give my team a lot of credit. Early in the pandemic, they projected automobile claims would go down due to reduced automobile use. Given that scenario, they suggested we should return money to customers, by adjusting personal auto premiums downward. It was such a murky period, so I passed on that idea in favor of shoring up the company’s finances for uncertainties ahead. Shortly after that, another insurance company announced they would be the first to make a premium reduction, and we were a fast follower. Not every company followed behind us but most did over time. I wished I would have sided with my team more quickly. It was my mistake.”

In addition to openly admitting errors, Jeff and his leadership team reached out to customers and team members formally and informally. He also regularly provided video messages. As a result team members suggested that Jeff’s vulnerable and transparent leadership paid dividends. For example, Farmers calculated an eNPS quotient based on one of the questions asked on a team member pulse survey (on a scale of 0-10, how likely are you to recommend Farmers Insurance as a place to work?). Research has linked eNPS performance to team member retention, productivity, and loyalty.

During the pandemic, the Farmers Insurance eNPS score went up 27 points from 40 to 67. Team members didn't lose trust in a vulnerable and honest leader who took responsibility for his choices. Instead, their trust and confidence in leadership soared. Everyone makes errors. Most leaders make the best decisions possible, given the information available and the scope of those they need to serve. When you acknowledge an errant choice or misstep, and you swiftly remedy it, your vulnerability forges trust.

3 | You can communicate too much (but you probably aren't). Teams need regular communication, honest information, and a tone of realistic optimism during crises. They can also be bombarded with conjecture and misinformation, so each message should be thoughtful, purposeful, and congruent with other messages being shared. While most leaders increase communication frequency, it's possible to overcommunicate and create clutter. Linda Rutherford, SVP and Chief of Communication at Southwest Airlines, put it this way, "In times of crisis, people get anxious and crave information. So not only do we need to communicate more often, we had to communicate in a multi-channel way and be inclusive. At Southwest, that means engaging a variety of voices starting with our CEO."

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optimism during crises.

Linda added, “If you aren’t organized, you can easily create confusion and distrust through your messaging. That distrust can escalate quickly, given how fast information changes. All communications must be aligned. Marketing, operations, and communication teams need to stay in sync as they coordinate messages to their respective groups—customers, the media, and employees. That aligned messaging is something we work on 24 hours a day. Collaboratively, we are looking at each new communication to make sure it is purposeful, well-timed, congruent, and relevant for the audience to which it is directed.”

4) Seek understanding, empathy, and compassion. For successful crisis leadership, listening occurred on two levels: a) active listening to gain understanding (e.g., paraphrasing) and b) hypothesizing about the feelings behind the words (e.g., empathizing). Chris Recinos, CEO of the Nurse Leaders Network and Chief Nurse Executive for a healthcare system in Los Angeles, shared the importance of watching and listening for the emotional well-being for those you serve and taking action to demonstrate compassion. Chris shared, “Many of my nurses lacked experience caring for a patient that faced death alone. Before COVID-19, family members would usually be in the room at the time of a patient’s death. It is a humbling responsibility and honor to stand in for family members or to help them connect remotely. I had a nurse who was using an iPad, so a patient’s family could see their loved one take their final breaths. The nurse was crying and shaking so hard she could barely hold the iPad. As a leader, I wanted to run in and protect my staff member, but the best thing I could do was to be there for that nurse when she needed to grieve. I could also help her develop resiliency.

I brought in therapists, chaplains, and similar resources so our team could learn how to best work through their suffering.”

In Chris’ example, her team member demonstrated compassion by taking direct action so the patient wouldn’t die alone. When nurses needed to grieve, leaders like Chris conveyed compassion by sitting with them, even in the absence of words. When nurses needed to internalize a coping response, leaders helped them find ways to drive resilience.

5 | Crisis uncovers the character of heroes. You will be remembered more for what you do in a crisis than what you do in calm. Effective leaders identify how they want to be remembered after the crisis ends. They take action to achieve their desired impact. We will all leave a legacy as a leader. The question is whether that legacy will be by design or default.

In keeping with prior writings on the importance of defining one’s leadership legacy, I asked all 140 book participants how they wanted to be perceived, given their choices and behavior during the pandemic. Their responses fell into three broad areas. They either wanted to be known for leading with:

- Competence
- Purpose, or
- Character



While many leaders blended elements from these three areas, they typically had a prominent theme. In the context of competence, they often wanted to be viewed as having fostered effective:

- Communication
- Goal-setting
- Team alignment
- Operational excellence, or
- Organizational productivity

Concerning purpose, many CEOs wanted to be viewed as has having:

- Prioritized team members
- Set safety as supreme, or
- Championed mission, vision, and values

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With regard to character, CEOs wanted to be known for having led with:

- Calm
- Moral courage

Consistent with wanting to be known for character, Bradley Feldman, Chairman, President and CEO at Cubic Corporation, noted, "This legacy isn't about me. It's about my leadership team and the entire organization. I hope we can all look back on this time and know we responded with increased consideration and care for one another and for our customers. Hopefully, people felt a greater sense of warmth and community. Ideally, they would say we were obsessed about taking care of our customers, and that we stepped up to this moment with compassion."

Joe Duran, CEO of Personal Financial Management at Goldman Sachs, described his desired legacy with a word not commonly used in business. Joe noted, "I hope people will say love was the driving force for everything we did. Ideally, they would feel we loved our people and our clients. They would also sense that we loved waking up each morning to serve them."

What leadership impact do you wish to have long after the pandemic? What lessons have you affirmed or learned from the diverse challenges of 2020 (e.g., lockdowns, layoffs, remote work, social unrest, looting, political polarization, and shifting government regulations)?

Author Napoleon Hill once observed that, "Every adversity, every failure, every heartache carries with it the seed of an equal or greater benefit." **May those seeds position you and your organization to be *Stronger Through Adversity*?** 📖



Info



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ABOUT THE AUTHOR

Joseph A. Michelli, Ph.D., C.S.P., is an internationally sought-after speaker, author, and organizational consultant who shares his knowledge of exceptional business practices in ways that help companies develop joyful and productive workplaces, with a focus on the total customer experience. His insights encourage leaders and frontline workers to grow and invest passionately in all aspects of their lives.

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