

# UPENDED

HOW WILL YOU LEAD IN A WORLD TURNED UPSIDE DOWN?

AN EBOOK BY **DR. VINCE MOLINARO**



## Our world has been upended.

Like you, I have been closely watching the spread of COVID-19 and the upheaval in the global economy. I have also been reaching out to my clients and other senior executives in my network to gauge their perspectives at this critical time. The general sentiment I hear is one of cautious and even guarded optimism, although I suspect this varies from leader to leader and even day-to-day.

News about COVID-19 is spreading almost as quickly as the virus itself. We are all feeling a heightened sense of stress and anxiety. Most of us are holed up in our homes. We are working hard to keep our businesses and organizations going or even to stay afloat. We are also caring for colleagues and loved ones while dealing with our own worries.

This is an unprecedented perfect storm of challenges, unlike anything most of us have seen in our lifetimes. If you run a company, own a business or simply lead a team, 2020 will most likely be the most difficult year you will ever face as a leader. The only thing most of us can agree on, is that as leaders, we must still lead regardless of the situation in which we find ourselves.

But how should we lead? What we're all facing now isn't just an economic crisis, it's also a matter of life and death. As we slide deeper and deeper into the uncertainty and isolation of the COVID-19 pandemic, I find myself thinking back over other crises of the recent past. I wanted to see if there would be lessons that we can learn from as we contend with the harsh realities we face today. That's what this eBook is all about.

As a strategic leadership adviser, I have supported my clients at critical times in their lives or key moments in their organization's history. Through these experiences, I've learned that leadership is always vital, but in times of crisis, it takes on even greater urgency and importance. How we step up - or fail to step up - at these times matters significantly?

### ***“Our leaders are overwhelmed.”***

This was a lesson I learned years back, in early February 2003 to be exact. A colleague and I were kicking off a leadership program for the top 70 leaders of a large municipal government. The program was intended to help those leaders chart a course for the future of their city.

We began that launch session by showing the participants an image of a sky filled with clouds: some were white and puffy, but others were dark and gray. We explained that their future was essentially captured in this image. It would involve both periods of opportunity and adversity, and that as leaders, they would need to work together to lead through both scenarios.

We then spent time discussing the critical threats and opportunities in their operating environment. At the time, these leaders shared a very rosy and optimistic view of their immediate future. They led a city that was growing rapidly and attracting head offices from

major corporations. They described an exciting time to be in the organization and they were looking forward to building a dynamic community for their citizens.

Given their perspective, you can imagine that after that first session there was a high degree of optimism and – dare I say it – confidence in the room. They believed they could handle whatever would come their way. However, in the time between that first session and our next get together, the world would change in dramatic and unforeseen ways.

In early March 2003, a woman was flying home to Toronto from Hong Kong. She fell ill upon her arrival and died a short time after. The virus she had, also infected her son. He was admitted to a hospital to get treatment and while there inadvertently transmitted the virus to several staff members. He was diagnosed with severe acute respiratory syndrome - the SARS crisis was born.

Suddenly, everyone in the City of Toronto and surrounding areas was on high alert. Governments, hospitals, and companies were reacting in real-time to something they had never really had to contend with before.

As these events were unfolding, we knew they would impact our client. We decided to meet with the Chief Administrative Officer to discuss whether or not to put our sessions on hold. She believed strongly that they had to continue: “Our leaders are overwhelmed. They need the support from this program more than ever as they navigate through this crisis.” So, we forged ahead.

As you can appreciate, the collective mood of those leaders in the second session changed considerably from the first one. You could feel the tension and stress in the room. The remarkable thing was that SARS wasn’t even part of our vocabulary just weeks before; now, it was the only thing everyone was talking about. It consumed everyone’s constant attention.

The optimism and confidence we saw in the first session gave way to anxiety and insecurity. Some leaders expressed a lack of confidence in their ability to lead. Many had never experienced this kind of challenge. SARS was new and scary. There were many unknowns and understandably it triggered self-doubt.

And yet, as we continued our sessions, the leaders became more confident. While many were still feeling uncertainty, as a group, they found a renewed sense of strength and purpose. A real community of leaders began to emerge. It was so rewarding to see them navigate the crisis and in the way they stepped up and supported one another through it all.

This experience reinforced for me the idea that the difference between success and failure in any endeavour comes down to leadership. It’s amazing when leaders can step up and lead through adversity. However, leadership success is not always guaranteed in the face of a crisis. An inability or failure to effectively lead at these times can have tragic consequences.

Let’s look at a couple of examples where this has happened.

## *"What the hell did we do to deserve this?"*

On April 20, 2010, an explosion rocked British Petroleum's (BP) Deepwater Horizon oil rig in the Gulf of Mexico, killing 11 and injuring 15 others. In the aftermath of that disaster, oil continued to gush into the gulf for three months. It would take BP several months, and many failed attempts, before the wellhead was capped. Unfortunately, by that time, an estimated 4.9 million barrels of crude oil had been released into the Gulf of Mexico, causing extensive environmental damage.

In addition to being an environmental catastrophe, the Deepwater Horizon turned out to be a reputational nightmare for the company and its Chief Executive Officer Tony Hayward. Right from the start, Hayward appeared to wilt every time he was in the spotlight.

Immediately after the explosion, it was reported that Hayward asked his executive team, "What the hell did we do to deserve this?" This created the public impression that he was more concerned with himself in that moment than with people much more deeply affected by the event. Then on May 30, 2010, in a TV interview, Hayward expressed remorse for the massive disruption the spill had caused to the lives of people living in the area. Then he said, "There's no one who wants this thing over more than I do. I'd like my life back." And with those words, he was done.

Hayward's credibility steadily eroded from the first day of the crisis to the time he finally stepped down from his role as CEO in October of that year. BP's reaction was understandable. Hayward's credibility and that of the company was destroyed. However sincere Hayward may have been in the moment, he created the impression that he was thinking more about himself and less about the dead and injured rig workers, the environment, or the communities affected by the oil spill.

Maybe that was never Hayward's intent. Maybe in a moment of weakness, his words didn't come out as he wanted. All of this didn't matter. His words triggered immediate reaction and blowback. How was the public expected to feel sorry for him when lives had been lost, people were injured, and millions of barrels of crude oil had been released into the Gulf? How could he not know that, of the many lives affected, his was not the most important?

Hayward is certainly not alone as a leader who crumbled in a crisis.

## *"I am here to coordinate the rescue."*

On January 13, 2012, the Italian cruise ship Costa Concordia struck a rock in the Tyrrhenian Sea just off the eastern shore of Isola del Giglio near Tuscany. The collision tore open a 50-metre hole on the port side of the hull. Water flooded parts of the engine room. Power was cut. As water continued to gush into the ship, the ship slowly began to roll over onto her starboard side and was left lying in a precarious position.

The evacuation began of 3,220 passengers and over one thousand crew members. When the evacuation was complete, 32 passengers didn't survive the rescue operations.

During this tragic ordeal, the ship's Captain, Francesco Schettino, was nowhere to be found. Not long after the tragedy, it was widely reported that he had left the ship well before many of the other passengers and crew, violating the maritime code that captains are always the last to leave a sinking ship. Later, he claimed that he had slipped off the deck of the ship as it tipped over and fell into a lifeboat. Just about everyone saw through his claim; he was clearly more concerned with saving his own life than the lives of his passengers and crew.

Eventually, transcripts of an exchange between Schettino and Captain Gregorio de Falco of the Italian coastguard in Livorno were made public. In the exchange, de Falco was pleading with Schettino to return to his sinking ship, but he refused, claiming instead to be "coordinating the rescue" from the lifeboat into which he had fallen.

Schettino was charged with criminal offences. He tried to blame everyone – the navigators, the other crew, the ship's equipment -- rather than take personal responsibility as the ship's Captain. He was found guilty of manslaughter and sentenced to 16 years in prison.

These two stories clearly show the costs when leaders don't step up when it matters most. The reality is that leaders always face significant pressure and heightened expectations. This is simply part of the role. However, in a time of crisis, the pressure and expectations become amplified. And when lives are on the line, as they are now, then everything is even more intense.

When we face crises, people naturally look to their leaders. At those moments, how leaders show up really matters. Like we have seen, some will disappoint us and when they do, we respond in visceral ways with outrage and disgust. We may be able to tolerate mediocrity in leadership in normal times. But in a time of crisis, there is no tolerance for mediocre or weak leadership.

On the other hand, when leaders can and do step up in extraordinary ways in the face of unprecedented challenge, they inspire us, mobilize us to act, and build confidence and optimism in the future. Let's look at a few of these examples.

## ***“We promise never to forget.”***

In the summer of 2008, Maple Leaf Foods, a leading consumer packaged food company with operations across the United Kingdom, North America and Asia faced a critical crisis.

The Canadian-owned company experienced an outbreak of the Listeria bacteria in some of its plants which processed packaged meat products. A total of 20 deaths were linked to the tainted meat caused by the outbreak, while hundreds of others became violently ill. It was the kind of crisis that could bring a company to its knees.

The company’s CEO, Michael McCain, stepped up to become the face of the company through the crisis. McCain immediately issued an apology –in full-page newspaper ads, a news conference, and statements posted on YouTube – and accepted full, personal responsibility for the tainted meat. The company quickly recalled more than 200 brands of meat and tens of thousands of individual packages that were manufactured or packaged in the plant. McCain’s public admissions, and his willingness to apologize without regard to issues of legal liability, set him apart as a leader.

“Going through the crisis there are two advisers I’ve paid no attention to,” McCain said, “The first are the lawyers, and the second are the accountants. It’s not about money or legal liability–this is about our being accountable for providing consumers with safe food. This is a tragedy. To those people who have become ill, and to the families who have lost loved ones, I want to express my deepest and most sincere sympathies. Words cannot begin to express our sadness for your pain.”

The company created a new role: Chief Safety Officer. To mark the one-year anniversary of the outbreak, McCain published a letter in all the major newspapers. The letter said the company was committed to becoming a global leader in food safety in order to prevent this kind of tragedy from ever happening again: “On behalf of our 24,000 employees, we promise to never forget.”

What was it that McCain did that was so special? He and his company did not dodge their accountability. They didn’t try to divert blame or avoid litigation. They took complete responsibility, due in part to a set of personal values on the part of the CEO, and a clear sense of obligation to customers, employees, and the broader communities in which the company did business. McCain is, thankfully, not alone in demonstrating strong leadership in a life and death crisis.

***“I want to put this painful experience permanently in our collective memories.”***

In January 2014, Mary Barra became the CEO of General Motors. When news of her appointment first broke, most of the media focused on her gender. One of the world’s largest and most valuable companies choosing its first female CEO was undeniably a great step forward for GM and for corporations around the world. It was great for Barra, who, over a 33-year career at GM, had held several executive posts including Vice President of global human resources and Vice President of product development.

But no one could have predicted the leadership challenges that would soon emerge as she took over the helm at GM.

It all started when it was discovered that faulty ignition switches in vehicles had resulted in 19 deaths and many other serious injuries. Barra immediately initiated a 30-million-car recall. Under intense public and governmental scrutiny, the company faced a firestorm of criticism and Barra found her every word and move dissected on the nightly news. Just a few months after assuming the CEO role, she testified in Washington D.C. in front of a Senate committee that was hell-bent on eviscerating her company.

Through it all, Barra was praised for how she handled the crisis. She was applauded for a unique combination of honesty, humility, and a sincere desire to fundamentally address the mistakes that led to the faulty switches. This was a radical departure in how her company had historically handled crisis, which was essentially to deny, diminish, and not accept responsibility. With Barra at the helm, there was not going to be any denying or diminishing of what happened. She wanted the scandal to remain a constant reminder of what happens when a company fails to do the right thing for customers and society. In fact, during an employee townhall she told her staff, “I never want to put this behind us. I want to put this painful experience permanently in our collective memories.” She demonstrated courage, and took full accountability, and never passed the buck. This is a vital lesson for all of us to remember.

Let’s look at an another powerful story of a leader who had to lead in an unimaginable scenario.

***“Speak the names of those who were lost, rather than the name of the man who took them.”***

On March 15, 2019, a series of horrific terrorist attacks took place in Christchurch, New Zealand. A gunman entered two mosques and proceeded to kill 50 innocent people engaged in worship.

In response to the crisis, Prime Minister Jacinda Ardern stepped up in a dramatic fashion, earning the attention and praise of people around the world. She showed genuine leadership and was publicly lauded for her compassion, empathy, and resolve.

In the face of this unspeakable tragedy, Ardern did not rely on those stock responses that political leaders often use in trying times. No, she backed up her words with actions that genuinely demonstrated her care and concern, her desire to build community, and to help her country grieve and come together after the massacre. She never wavered. She was decisive in her actions.

She visited Christchurch twice in the days following the mass shooting. She wore a headscarf or hijab as a sign of solidarity with the Muslim community. She ordered a Royal Commission of Inquiry—the most powerful judicial probe available under New Zealand law—into whether police and intelligence services could have prevented the attack.

In every speech or interview since the attack, she made a vow to never utter the gunman’s name: “He is a terrorist. He is a criminal. He is an extremist. But he will, when I speak, be nameless. I implore you: Speak the names of those who were lost, rather than the name of the man who took them. He may have sought notoriety but we in New Zealand will give him nothing—not even his name.”

Ardern also moved quickly on the legislative front, announcing a ban of all military-style semi-automatic weapons and assault rifles in her country. She opened her speech to lawmakers with the Arabic greeting “As-salamu alaykum” which means “Peace be upon you.”

Ardern’s example is powerful. When a leader can respond to a crisis with courage, grace, and humility, it sends a shockwave around the world. She was able to bring solace and comfort to all the people in her country and beyond. The admiration people had for her rose to new heights not only within New Zealand, but around the world. She was the kind of leader people yearn for in times of adversity.



## How Will You Step Up?

Each of one of these five stories provides us with valuable insights and lessons in how to lead in times of adversity and crisis. As I thought about these stories, one central idea was reinforced. It is **accountability that differentiates great leaders from mediocre ones**, especially in times of crisis.

Hayward and Schettino were unable to step up when it mattered most. Their words and actions clearly showed that they were not prepared to be accountable and demonstrate personal ownership. In contrast, McCain, Barra, and Arden were an inspiration largely because they had the courage to step up, be accountable, and demonstrate profound ownership of their situations.

I believe we need to embrace the lessons in these stories, especially at this critical time. All of us as leaders have an important question to reflect upon: How will you step up as a leader in a world turned upside down? Or will you fail to step up and possibly crumble under the pressure?

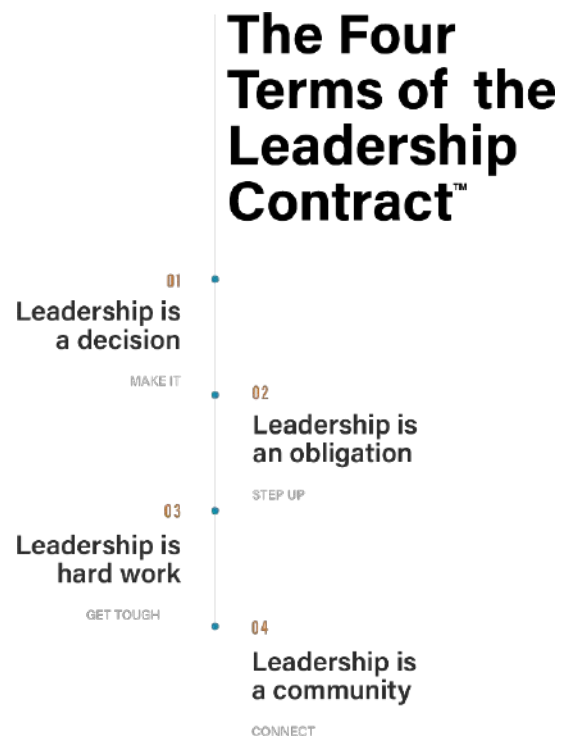
In *The Leadership Contract*, I positioned an idea that we must contemplate now more than ever. It begins with the notion that people generally hold anyone in a leadership role to a higher standard of behavior. Furthermore, any time an individual takes on a leadership role, they sign up for something important. I call this a leadership contract.

I believe this contract has always existed, but we have never made it explicit to those in leadership roles.

Now like any contract, the leadership contract comes with four terms and conditions.

What I have also learned is that the expectations of leaders change dramatically in times of crisis. We expect even more from those in leadership roles.

As a result, it is important for each of us to pause and reflect on how the leadership contract has changed for us at this time.



Let's review the four terms of The Leadership Contract and as we do, reflect on what they mean to you right now.

## **1. Leadership is a Decision – Make it.**

When your world has been upended, as ours has, you need to pause and reflect on how the expectations of leadership have changed for you. You must then fully commit and make a visceral and deliberate decision in how you need to show up as an accountable leader for the people you lead and your other stakeholders. A crisis will challenge you in ways that you can't imagine. You can't be ambivalent; you must be deliberate. McCain, Barra, and Ardern are great examples. They never wavered. They were determined to lead their organizations and countries through crisis. They set the tone for everyone else to follow by demonstrating full accountability and ownership.

Reflect on the following questions as you think about the leadership decisions you must make at this time:

- Are you "all-in" and fully committed to be the best leader you can be in this unprecedented time?
- How do you intend to inspire confidence and bring a sense of optimism and even hope to the people you lead?

## **2. Leadership is an Obligation – Step Up.**

It is also important to reflect on your primary obligation as a leader. Many are counting on you: your customers and employees, your colleagues, your organization, your family and friends, and the communities in which you live and do business. You must support their success in the short-term while paving the way to a positive future when the crisis diminishes. You must ensure the safety and well-being of your teams. You must work with fellow leaders to drive business continuity. My sense is that both Hayward and Schettino appeared to have forgotten that leadership comes with obligations. In the moment that their leadership mattered, they were selfish rather than selfless. Whereas, McCain, Barra, and Ardern never lost sight of what really mattered. Being clear about your leadership obligations helps bring focus, especially when you are facing an ever-changing and uncertain landscape.

Reflect on the following questions as you think about your leadership obligations:

- What is the most critical leadership obligation that you must live up to at this time?
- What do your teams, customers, family and other stakeholders need from you right now?

### 3. Leadership is Hard Work – Get Tough.

Being a leader has never been easy. The role demands resilience and resolve. This becomes even more critical in times of adversity. You will need to find a way to rise above all the stress. You need to be a calming and reassuring force and provide others faith in the future. As a leader, you need to work on managing your own emotions, anxiety, and fears that you may be experiencing. These are all legitimate feelings. But it is imperative for you to manage your own reactions because that's what the best leaders do in a crisis. Author C.J. Redwine nicely states in her book *Defiance* that losing your head in a crisis is a good way to become the crisis. McCain, Barra, and Ardern found a way to elevate themselves from the pressures of the crisis they were facing to lead in extraordinary ways. They dealt with the crisis head-on, they didn't become it.

Reflect on the following questions as you think about the hard work of leadership that you must tackle at this time:

- How will you demonstrate courage, resilience, and resolve in the face of adversity?
- How will you help your team and colleagues strengthen their personal resilience and resolve?

### 4. Leadership is a Community – Connect.

The one thing I've learned as a leadership adviser over my career is that companies with a strong community of leaders are the ones that will succeed. Those that don't, will struggle. A crisis like we are experiencing now can either serve to bring your leaders together or can tear them apart. In one of my recent conversations with a client based in Milan, Italy (the epicentre of the virus in Europe), he said that having a strong leadership community is helping them a lot in these difficult times. He was encouraged and inspired by how his leaders were working together to lead their company. To his credit, he's spent the last 18 months helping his leaders get stronger and now he is seeing the payoff at this critical moment. This is the same lesson that those leaders in that municipal organization taught me: in the face of the SARS crisis, they found a way to come together and lead with a united front.

Reflect on the following questions as you think about the community of leaders you must help build in your organization:

- In what ways will you rally your colleagues and fellow leaders to come together in the face of adversity?
- How will you support your peers and colleagues during the coming weeks and months?

## Final Thoughts - A Crisis Reveals a Leader

In the book *The Rule of Three*, author Erica Walters said that a crisis doesn't change people; it reveals them. The stories shared in this eBook have certainly revealed the character and capacity of each of those leaders. Some, like Hayward and Schettino, failed to step up under the intense pressures that they faced. Others, like McCain, Barra, and Ardern, managed to find something within themselves to lead effectively at a critical time and, in turn, reveal who they are as people and as leaders.

Deep down inside, I believe all of us as leaders hope we can reveal the best of ourselves in a world that has been upended. The time is now. We are facing an unprecedented crisis that will require the strongest leadership we have ever seen in our generation. Albert Einstein once said that in the midst of every crisis lies great opportunity. Our crisis has arrived. It's up to each of us to rise to the leadership opportunity.

I wish you good luck and good health!

## About Dr. Vince Molinaro



**Vince Molinaro, PhD**, is a strategic leadership adviser, speaker, and researcher on leadership accountability. As the founder and CEO of Leadership Contract Inc., Vince travels the world helping organizations build vibrant leadership cultures with truly accountable leaders.

He experienced a defining moment early in his career when he saw a respected colleague and mentor succumb to cancer that she believed was the byproduct of a stressful, toxic work environment. As a result, he has made it his life's work to boldly confront mediocre and unaccountable leadership.

Vince calls out the global leadership crisis today and thoughtfully lays out the strategy to address it head-on. His unique combination of provocative storytelling, evidence-based principles and grounded practicality has leaders at all levels stepping up to fulfill their obligations to drive the success of their organizations.

He is a *New York Times* best-selling author and has published several books including *Accountable Leaders* (Wiley, 2020), *The Leadership Contract* (3rd ed., Wiley, 2018) and *The Leadership Contract Field Guide* (Wiley, 2018). He has also co-authored two other books: *Leadership Solutions* (Jossey-Bass, 2007) and *The Leadership Gap* (Wiley, 2005). His ideas serve as the foundation of leadership development programs in leading companies around the world.

Vince lives leadership accountability every day as an entrepreneur and global executive. His research and writing on leadership accountability are featured in some of the world's leading business publications. He also shares his insights in his Gut Check for Leaders blog and through the Accountable Leaders App available from the Apple and Google App Stores.

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