

The Strategist's bookshelf

Challenge management: smarter courage, reasoned judgment, wiser fortitude

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High-Stakes Leadership: Leading Through Crises with Courage, Judgment and Fortitude, Constance Dierickx (Routledge, 2017), 216 pages.

When leaders face sudden and difficult challenges their careers hang in perilous balance. However smart they are, however successful, or however powerful, if they mishandle a major crisis the leader can be out precipitously. Just ask the former CEOs of Volkswagen, BP, Wells Fargo or countless other major enterprises.

But what are the qualities – and the skills needed to use them effectively – that make it more likely that leaders will survive career-defining crises successfully? Constance Dierickx gives us helpful insights in a highly-accessible book, *High-Stakes Leadership: Leading Through Crises with Courage, Judgment and Fortitude*. Her simple but powerful premise: when the stakes are high, leading effectively requires the three qualities of the book's title:

- The courage to make smart decisions under stress.
- The judgment to distinguish important information from short-term trends.

- The fortitude to remain true both to self and to mission.

She deftly defines each of these leadership attributes in terms of the skills needed to successfully employ them, and provides examples of how leaders of many forms of organization and enterprise size put them into action.

Courage. She notes, "Without courage, decisions are made on the basis of tradition, habit, or whim, or are made in a purely reactive mode." Such decisions are the antithesis of strategic. But courage isn't necessarily the absence of fear. Rather, it is a determination to make the tough choices when they're the right choices. Courage is what aligns a decision – especially a difficult one – with an overriding purpose, especially in times of change, crisis or stress. And courage includes calibrating the tempo of decision making to the conditions of crisis. Sometimes a leader needs to exhibit courageous patience; sometimes courageous impatience. Understanding which is a matter of judgment, the second leadership quality.

Judgment. Without judgment courage becomes self-destructive. Reckless decision-making can derail an organization. Judgment is the testing of ideas – of proposed decisions – using reason. Judgment doesn't have to be perfect, but should be good enough to establish a clear sense of the realities driving decision-making.



“Courage is what aligns a decision – especially a difficult one – with an over-riding purpose, especially in times of change, crisis or stress”.

It includes pattern-recognition, to be able to foresee a likely outcome under different scenarios. Pattern recognition also allows leaders to make smart decisions in the absence of full information. And judgment allows for mid-course corrections or even for retreat if the leader discovers that the events are not playing out according to plan.

Fortitude. When the tasks are great, leaders need a renewable source of personal energy. Fortitude is what allows execution of good ideas through adversity, and inspires others to align with the leader. Being resolute despite adversity helps leaders move their organizations to more successful outcomes. And resilience keeps leaders fresh despite wearing, ongoing struggles.

All three are needed. Courage without judgment can motivate action, but without regard to whether it's the right or wrong action. Judgment without courage makes for interesting analysis but little else. Both are needed. But they're not enough. Fortitude becomes the amplifier for courage and animates judgment.

Dierickx notes that crises have a major advantage over calm: They are clarifying: “Objectives, and thus direction, become very clear: reduce discomfort, remove risk or protect reputation.”

Dierickx identifies five steps that exemplify courage in the midst of crisis:

1. Admit the problem.
2. Apologize to those impacted.

3. Support those who will be in the crosshairs.
4. Organize a response and stay close to it.
5. Show that you take responsibility by what you do, not just by saying you are doing so.

Dierickx argues that the leader's greatest vulnerability is not lack of information, but smugness. She points to what she calls the sad legacy of BP CEO Tony Hayward just after the 2010 Deepwater Horizon explosion. The company was overconfident of its ability to stop a leak; vastly underestimated how long it would take, and showed little sympathy for the residents of the Gulf of Mexico coast who would be impacted. When things initially didn't go well, Hayward failed to act as if he recognized the scope of the crisis. His candid plea, “I'd like my life back,” defined him and the BP response. Dierickx concedes that Hayward and BP did not create this legacy intentionally. But assuming that an organization is prepared to handle a crisis when in fact it is not can make leaders blind to what they might otherwise recognize.

Dierickx began her career as a stockbroker at Merrill Lynch. She received a PhD in psychology and has been consulting executives for the past 20 years. She applies both her psychological training and her business experience to leadership in crises and other high-stakes situations.

As instructive as the infamous failures are the successes she recounts in the book that deserve to be celebrated. For

example, here's how Megan Ferland, CEO of Girls Scouts of Western Washington pivoted to convert a unique challenge into a noteworthy success. Her group received a donation of \$100,000, about a third of its usual budget. The gift would go a long way to helping girls who otherwise would not be able to be involved to become part of the Girl Scouts network. But some time later, the donor added a stipulation: None of the gift could be used to support transgendered girls. For the CEO, the next step was clear. She returned the money. She explained, “The Girl Scouts are for every girl.” The organization's purpose, helping all girls, and her judgment that the stipulation was contrary to that purpose, informed her decision. She then exhibited fortitude. Without attacking the donor, the organization made a video and started a fundraiser about what had just happened. The result: They raised more than double the original donation.

Dierickx's book is rich with examples from most crises in recent American business history, from Home Depot to General Motors to Wells Fargo. She applies the rigor of her psychological training with her understanding of business realities to develop models for effective business decision-making. One example:

Fortitude = Vision + Mission + Persistence x Character

She successfully navigates among these theoretical frameworks and practical application of them in both explanatory and predictive ways. The result is a highly-practical, readable and useful guide for leaders and those who advise leaders on how to assure that they succeed when the stakes are high.