

Two Principles for Leading Your Organization Through the COVID-19 Crisis

A former Fortune 500 CEO offers a way forward during this time of unprecedented uncertainty.

 BASED ON INSIGHTS FROM

Harry M. Kraemer

Business leaders are in the midst of a global crisis.

The challenges facing organizations, employees, and communities are unprecedented, the stakes are high, and certainty is nowhere to be found. Under such staggering circumstances, it is only natural for leaders to feel unprepared to lead capably, nimbly, and honorably.

“You’re feeling worry, fear, anxiety, pressure, and stress. And these feelings completely overwhelm you. And as a result of basically becoming overwhelmed, you almost become incapacitated,” says [Harry Kraemer](#).

Kraemer is a former chairman and CEO of the \$12 billion global healthcare company Baxter International. In addition to being a clinical professor of leadership at Kellogg, he also is an executive partner with the private equity firm Madison Dearborn. Over the years, he has led through crises small and large—including a tragic crisis involving faulty dialyzers and patient deaths.

In his view, there are two main things leaders need to understand in a crisis—two mantras, if you will, that offer a calm way forward, no matter what the situation. And, as he has been cautioning boards and management teams repeatedly in the past few weeks, COVID-19 is no exception.

“Almost every crisis is different. So there’s not a game plan for solving the crisis. However, there is a game plan, in my mind, for how you should approach the crisis,” he says.

Mantra 1: You're going to do the right thing, and you're going to do the best you can do.

It sounds deceptively simple, so say it again. And again. You're going to do the right thing. You're going to do the best you can do.

After all, that's all you can do.

Of course, that's much more difficult than it sounds, Kraemer acknowledges. You don't have to figure out what "the right thing" is all on your own. Nobody is smart enough or superhuman enough for that. Instead, surround yourself with people whom you trust and whose values align with yours and with those of the organization. Collectively, you will all determine the right thing—and then do your best to act on it.

Picture your absolute worst nightmare, he says. For him, it would be learning that a member of his family had become critically ill with the virus; for others, it might be something quite different. Regardless, the way forward is clear: "I'm going to do the right thing, and with a lot of people's help, I'll do the best I can do," he says. "I try to repeat this over and over again. Worry, fear, anxiety, pressure, and stress can be significantly reduced."

And by the way, he says, if you start off trying to do the right thing and it turns out it's the wrong thing, you can adjust. Ego should be removed from the decision-making process; changing your mind is encouraged! "As I told a board earlier today, we're not trying to be right; we're trying to do the right thing," says Kraemer.

So what does following this mantra look like in practice—particularly when an organization's values around, say, serving the community, prioritizing safety, and practicing fairness might conflict?

"Say I've got a company with 100 employees," says Kraemer. "And 50 of them are in cubicles, but 50 of them are literally making the product and they're on an assembly line on the plant floor. Then COVID-19 happens. What's the right thing?"

For the 50 people in cubicles, you may send them home, even if it isn't strictly fair: it will protect them and make the people on the assembly line safer as well. For the other 50 employees, the decision is harder. Do you need to continue to manufacture at all? If so—perhaps you're making masks or hospital supplies or other essentials—then are there ways to make the process safer, perhaps by extending the manufacturing line so people can work further apart?

"That may mean we don't make as many products. Maybe that means we're not as efficient. Maybe that means our costs go up. But that's something we should do because we want to protect our people," he says.

Above all, be upfront about these trade-offs, as well as the risk to your employees. "I think what a value-based leader does is not only acknowledge that there is an elephant in the room," he says. "They turn the floodlights on so everyone can clearly see the elephant."

Mantra 2: You're going to tell people what you know, what you don't know, and when you'll get back to them to discuss what you didn't know before.

As the contours of the crisis become clearer, the exact communications will obviously change. But the general format will look the same: You're going to tell people what you know, what you don't know, and when you'll get back to them to discuss what you didn't know before.

The first part, telling people what you know, is pretty straightforward. For COVID-19, this might require gathering data about your own operations, as well as learning as much as you possibly can about the virus, and the federal, state, and community responses to it. Then, share this information as simply and honestly as you possibly can, even if it is not what people want to hear.

The second part—letting people know what you don't know—tends to be even more difficult for leaders. “People will say, well, I don't know if I want to get everybody together and let them know what I don't know,” says Kraemer.

But telling people what you don't know is the key to building credibility with your stakeholders, he explains. Omit this step, and customers, employees, and others will recognize you aren't being upfront with them and might assume that you can't be trusted or the truth is more nefarious than it really is.

Finally, you will need to tell people how quickly you'll get back to them with any outstanding questions they may have. “We don't know *the answer to that issue yet*, but here's what we're going to do: we'll have another conference call or we'll send out an email tomorrow with an update on what we didn't know yesterday,” says Kraemer.

Adhering to this mantra isn't just about helping others, either, says Kraemer. It's a good strategy for protecting your own reputation and that of your organization. Without this level of communication, “you're not giving the people an understanding of what you're doing and why, so it looks like you're just jerking everything around and you lose all credibility. And that lack of trust creates chaos. [People] will start to think, ‘Either I'm being lied to, or the people in charge are idiots.’”

Beyond reputation, the mantra also offers an organizing framework to keep the entire organization on track. “The process, I think has an enormous impact on how you operate as an organization and how you help the organization not get frozen in place with everybody running around like crazy,” he says.

A failing during the current crisis, in Kraemer's view, is that too many leaders, including many in the government, haven't been upfront about the nature of the crisis: exactly what they know, all the things that they don't, and how they plan to seek additional information and provide citizens with updates in the future.

The worst-case scenario, he says, is one where people are truly surprised by how events are unfolding. You can't eliminate surprise, of course, but with strong communication and follow-through, you can minimize it.

Putting it all together

Leaders who follow these two mantras closely stand the best chance of emerging from the current crisis with their conscience—and their organization—intact.

There are some companies and industries that are already handling the crisis in ways that will reflect well on them in the future, says Kraemer. The airlines are bending over backwards to allow people to cancel or change flights without incurring fees, for instance, while Major League Baseball clubs have pledged [\\$30 million dollars](#) to the thousands of ballpark employees who will lose income while the league is on hiatus.

“It may hurt your profitability in the short term, but the long-term impact is going to be very, very positive because they did the right thing,” says Kraemer.

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