

Praise for *The Secrets of Resilient Leadership*

“... should be mandatory reading for all middle managers and executives who will lead organizations out of the recession and into the next era of global growth.” —**Stephen J Rolla, Former President and CEO, Capitol Office Solutions, a Xerox Company**

“... provides a pathway to what it truly takes to be a great leader...” —**Richard Kohr, Jr., Chief Executive Officer, Evergreen Capital LLC**

“... offers beneficial insights and specific take home value, and I recommend it enthusiastically.” —**Joe Mancuso, CEO of the CEO Clubs Worldwide**

“... a must read for those individuals who are looking to make a difference in today’s ever-challenging world ... provides critical insights to anyone who is seeking to separate himself from the competition while having a positive, everlasting effect on those they touch.” —**Kent Pierce, Vice President, Merrill Lynch**

“One of the most insightful books on business leadership I’ve read ... a ‘must read’ for all aspiring leaders.” —**Rob Weinhold, Vice President, Ripken Amateur Baseball**

“... provides goals and behaviors that leaders can apply so their organizations can survive and prosper in these tough economic times. The use of case studies will do a lot to help readers to apply what they have learned in their leadership positions.” —**Kenneth N. Wexley, PhD, coauthor of *Working Scared: Achieving Success in Trying Times***

“... an incredibly timely book that will help today’s leaders lead boldly during these extremely challenging and uncertain times ... The authors hit the leadership sweet spot with their *Six Essential Characteristics* and my hat is off to them for placing integrity at the top of the list!” —**Andrew F. Burke, President and CEO, Insight Beverages, Inc.**

“... essential reading ... addresses the critical requirements of building leadership through integrity, optimistic vision and perseverance. Qualities

not taught in business school but missing in so many of today's CEOs.
—**Roger A. Wittenbach, CEO, Wittenbach Business Systems**

“... one of the best leadership books I have ever read ... The theme of focusing on leadership in difficult times is very instructional ... the discussion on self-fulfilling prophecy put into words what I have felt but never been able to articulate until now. I want to give my entire staff a copy of this book as soon as it is published and make it required reading!” —**Greg Moores, Vice President, Black & Decker**

“... a great resource, especially in these challenging times. The authors have brilliantly distilled the lessons of history and merged them with common sense to create a brief but powerful guide to building resilience, confidence, and longevity.” —**C.A. Dutch Ruppertsberger, U.S. Congress, Maryland's 2nd District**

“Leadership and success are two sides of the same coin ... this book provides a fresh look at how to achieve success during good times and bad.” —**Alan M. Langlieb, MD, MPH, MBA, editor of “Mental Health and Productivity in the Workplace”**

“... an excellent, concise summary of the basic principles that all businesses should be based on and how they should be applied even under times of great stress. The historical examples of how leaders acted (good and bad) under stress are extremely enlightening, and the Leadership Assessment case studies provide good food for thought...” —**Robert J. Collins, PhD, President, Gerstel, Inc.**

“... Insightful, comprehensive and applicable to learning the fundamentals of leading and leadership.” —**Fred Rhodes, EdD, Vice President for Academic and Student Life, Bellarmine University**

“Insightful and instructive ... a must read for any established or aspiring leaders in today's world.” —**Jonathan Schochor, JD**

“An absolute must read for anyone who intends to lead or accept responsibility in the volatile environment of profit and non-profit organizations.”
—**John B. Colvin, Principal, Questar Properties, Inc.**

The Secrets of Resilient Leadership

When Failure Is Not an Option

Six Essential Skills For
Leading through Adversity

George S. Everly, Jr., Ph.D.

Douglas A. Strouse, Ph.D.

George S. Everly, III, JD, MBA

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Dedications

To my father, George S. Everly, Sr., who led by example; to my mother, Kathleen Webster Everly, who led with love and strength; to Gayle, who leads by a calm, reassuring presence; and to Dr. Theodore Millon of the University of Miami and Harvard Medical School, who led with wisdom, confidence and acceptance. (GSE, Jr.)

To my family, from which I first learned the true value of leadership and resiliency: my wife and loving partner, Sharon Toher Strouse; my children Kimberly, Kevin, and Kristin (who lives on with us in spirit); my mother, Nancy Lederman; my sisters Rosalie and Gale; and my brothers James and Charles. (DAS)

To my family. (GSE, III)

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Preface

This is a book uniquely suited to our time, because it's a handbook on how to guide others during periods of great change and adversity. It's a manual on how to wrest victory from the jaws of defeat. It shows you how to assist others in being resilient through leadership—what we call *resilient leadership*.

Think of resilient leadership as that set of leadership qualities that helps others adapt to, or rebound from, adversity. It's the catalyst that inspires people to go places they would never have gone and attempt things they never would have dared on their own.

Yet adversity is a double-edged sword. It offers both exceptional challenges and profound opportunities for those pliant enough to seize the moment and endure difficult situations.

The resilient leader must be a visionary, recognizing the danger inherent in adversity. At the same time, he must be confident enough to head into the fray without the arrogance that could turn opportunity to disaster. And, as the concept of leadership implies, he also must motivate others to grasp the possibilities adversity may yield.

It is a truism that in times of difficulty and flux, most people will seek guidance and leadership. Given the demands of guiding others through adversity, some leaders will fail, while others will succeed. Further, some leaders will not only succeed, they will see adversity as an

opportunity to build empires. Is such success in leadership innate, genetic? Or can it be learned?

We believe great leadership, the kind that, phoenix-like, builds empires out of ashes, can be learned. Therefore, in this book you will learn what we believe are those secrets of leadership that inspire, if not create, human resilience—the type of leadership that promises to snatch victory from the jaws of defeat.

“A rising tide lifts all boats,” an old adage says. It was easy to profit in the stock market when the technology boom drove all stocks higher. It was easy to make a killing in real estate when it seemed to appreciate endlessly. It was easy to sell goods and services when people had significant disposable income. And it was easy to be seen as an effective leader in prosperous times, when even poor decisions seemed to self-correct. The problem with many leadership courses, and books, though, is that they often teach about success. That is, they teach about leadership during a rising tide.

But adversity is the *true* test of leadership; some of life’s most valuable lessons emerge from it. For this reason we begin this book from the perspective of disaster and failure. We are as interested in the science of the comeback and the turnaround as we are in exemplary leadership under favorable conditions. In short, we believe the mystery of resilient leadership is revealed, not in the best of times, but in the worst of times—in times of crisis, even during times of initial defeat.

From this perspective, we show how great leaders can help us rebound from adversity, and perhaps even more importantly, how leadership can help us adapt to the threat of adversity proactively, before it causes irreparable damage.

We wrote this book to help guide those who dare to lead in uncharted territory, where fear can paralyze, and those around you retreat. It is then and there that great opportunities reside and great achievements will accrue for those who have learned the secrets of human resilience and resilient leadership.

Our interest in this field began with the study of disasters. In 1979, the nuclear power plant at Three-Mile Island, Pennsylvania, experienced

a partial meltdown. Interviews with residents there revealed the perception of a violation of trust, a sense of betrayal by government officials toward the inhabitants of the area. It's little wonder that the residents' stress hormones were found to be elevated, even four years after the incident. This was an important lesson in how critical it is for leaders to earn the trust of those who will follow. It seemed clear that their persistently elevated stress hormones were a direct result of the sense of betrayal and resultant lack of credibility residents attributed to governmental officials.

The experience at Three-Mile Island was followed by other disasters that produced severe stress in large populations. In 1992, after the invasion of Kuwait by Iraq, we were asked to help develop the first mental health system designed specifically to foster the psychological resiliency necessary to help not only a nation but a culture recover from the horrors of war and occupation. From this experience, we learned that creative thinking and decisive leadership, when integrated with the psychological sciences, could effectively harness public will in a process of psychological reconstruction. Our efforts were successful. Today, Kuwait is a productive and prosperous nation whose culture and identity shows unusual resilience.

In 1995, Timothy McVeigh's bombing of the Alfred P. Murray Federal Building in downtown Oklahoma City was the most devastating act of domestic terrorism on record. The September 11, 2001 attack by Al-Qaeda against the World Trade Center and the Pentagon showed that no American was safe from international terrorism. Following both, we worked with disaster-response and emergency services personnel. Once again we saw the power of resilient leadership at work, but in two very different ways.

In Oklahoma City, leadership was often decentralized and seemed strongest at the grassroots level, with the support and endorsement of university and government officials. In New York City, resilience was fostered, if not demanded, by a charismatic personality. New York Mayor Rudy Giuliani acted boldly and decisively, and knew the critical role public trust would play in rebuilding New York. While grassroots, union-based, and

decentralized initiatives were working effectively, Giuliani simultaneously understood how to mobilize public sentiment by bold, decisive leadership. He apparently saw them both as imperatives for resilience.

This book deals with how resilient leadership can reenergize, motivate, and inspire new optimism in others in the wake of adversity. If we can discover the mystery of resilient leadership, it may be possible to reduce human suffering and avert social, political, economic, and even military catastrophes. Thus, we examine resilient leadership in history, reflect on our own experiences, and integrate the psychological sciences to arrive at what we believe are the core strategic attributes of resilient leadership: *strength and honor* . . . the courage to act boldly and decisively while concurrently acting with honor and integrity.

We believe effective, resilient leadership is the result of six behaviors, or characteristics, each of which can be readily learned. They are:

- ▶ Acting with integrity
- ▶ Communicating effectively
- ▶ Harnessing the power of decisive, optimistic leadership and the self-fulfilling prophecy
- ▶ Persevering and taking responsibility for your actions
- ▶ Building a resilient culture, and
- ▶ Developing behavioral body armor, or using stress management as a competitive advantage

Our approach to solving the mystery of resilient leadership in a simple, practical way will help you build resilience in yourself and those around you.

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September 2009

PART I

The Essence of Leadership

How many times have you heard of people, communities, and even nations “bouncing back” from adversity? Bouncing back requires resilience. And adversity, especially on a large scale, requires leadership. When you combine the two, you can see that effective leaders are resilient leaders. They are the catalysts that inspire, assist, and mobilize others to surmount challenges to their safety, success, or well-being. Resilient leaders can impart the confidence that enables others to try things they might otherwise avoid. This book is a guide in how to assist others to be resilient during times of crisis and adversity, through what we shall refer to as “*resilient leadership*.”

The Mystery of Resilient Leadership

How to Lead When Everyone Else Retreats

“Resilient leadership” is that set of leadership qualities that motivates and inspires others during crisis. It includes those actions that help others adapt to, or rebound from, adversity. It is the catalyst that inspires people to overcome obstacles, to go places they would never have gone and attempt things they never would have dared on their own. Resilient leadership builds empires out of ashes.

If we can unravel the mystery of resilient leadership, perhaps we can reduce human suffering at the community level and avert social, political, economic, and military catastrophes. On a personal level, many promising careers in academics, athletics, and business failed to materialize because of burnout or the inability to handle the pressure—a lack of resilience. Thus, the search for the elements of resilient leadership would seem a worthy investment for every individual, organization, and community.

WHAT YOU WILL LEARN

Every resilient leader must strive to achieve three strategic goals:

1. Building trust and devotion in others through honesty and honor
2. Acting with strength and decisiveness

3. Promoting natural resources by fostering the health of everyone in the system

These goals have six natural components:

Goal I: Building trust and devotion

1. Integrity
2. Communication: persuasion and inspiration

Goal II: Acting decisively

3. Vision and optimism
4. Perseverance and personal responsibility

Goal III: Promoting natural resources:

5. Building a group or organizational culture of resilience
6. Developing stress management as a competitive advantage by building what we call *behavioral body armor*

Ironically some of the greatest successes in history have followed monumental failures, and some of history's greatest failures are remembered fondly, if not with reverence. Why? Because—like the mythical phoenix—resilient leaders emerge to flourish under such conditions. For examples, let's look at a natural disaster, an economic catastrophe, and the American Civil War.

DISASTERS AND RESILIENT LEADERSHIP—OR NOT

The Darkest Day in American Disaster Relief

On August 29, 2005 Hurricane Katrina made landfall in southeast Louisiana. It resulted in the most costly natural disaster in American history. When the levees protecting New Orleans broke, thousands of people were trapped without sufficient food, water, and shelter. More than 1,800 deaths and over \$81 billion dollars in damages were reported.

The hurricane's arrival and force surprised no one. It had been tracked since it formed as a tropical depression over the Bahamas five days

earlier. Two days before the hurricane came ashore, then-President George W. Bush declared a federal state of emergency, which made it possible to employ all the resources of the federal government for disaster mitigation. Unfortunately, despite the declaration, disaster-response resources were not fully mobilized in a timely manner. The nation watched in shock as Hurricane Katrina hit the Gulf Coast with the fury of a Category 3 storm and evolved into the most costly natural disaster in American history.

Economic Collapse

In late 2008, we entered a financial recession that, according to economists, is unlike any ever experienced in the United States. What caused a thriving economy to experience such a catastrophic collapse?

The mystery is still being explored and debated, but the primary, although not exclusive, cause appears to be the subprime lending practices and creation of complex financial instruments that bundled high-risk investments with more traditional lower-risk instruments. The subprime crisis emerged as financially overleveraged homeowners began to default on their mortgages. In 2008, there was an 81 percent increase in foreclosures; almost 850,000 properties were affected. The trend in foreclosures continued through 2009.

Some of the greatest successes in history have followed monumental failures, and some of history's greatest failures are remembered fondly, if not with reverence.

The bundling effect then jeopardized other more traditional investments as riskier investments collapsed and compromised the traditional investments within which they were bundled. The effects spread to all areas of the economy. Alan Greenspan, chairman of the Federal Reserve Board from 1987 to 2006, once said a technology boom in the late 1990s seemed to be an upward spiral of “irrational exuberance.” Similarly, the collapse in 2008 seemed to be a spiraling economic cataclysm, resulting to some degree from “irrational pessimism” as banks hesitated to give mortgages to even credit-worthy individuals,

and investors seemed reluctant to reinvest in the devastated stock markets, despite the emergence of unprecedented opportunities.

The Day the Confederacy Lost the American Civil War

In July 1863, in the midst of the American Civil War, General Robert E. Lee led the Army of Northern Virginia north in an effort to demonstrate to President Lincoln the strategic vulnerability of Washington, D.C., and thus of the Union. The advance halted abruptly when troops encountered General George G. Meade's Union Army of the Potomac in the little town of Gettysburg, just north of the Maryland line in Pennsylvania.

The battle that ultimately took shape at Gettysburg pitted the 85,000-man Confederate Army against the 90,000-man Union Army. For two days the conflict see-sawed, with no decisive victories on either side, although the advantage seemed to be the Confederacy's.

On July 3, Confederate forces gathered on an open field across from the Union forces. General James Longstreet urged Lee not to advance because Meade's troops held a superior position on Cemetery Ridge. Ignoring the advice of his most trusted advisors and violating the principles of battlefield logic, Lee ordered approximately 12,500 soldiers to attack into what would certainly be devastating Union rifle and artillery fire.

The disciplined Confederate advance, subsequently called Pickett's Charge, was said to be awe-inspiring even to the Union forces. Although the Confederates reached and briefly penetrated Union lines, Confederate losses were so great they could not hold the position and were forced to withdraw. A massive retreat followed. This most forward advance of Confederate forces has been referred to as the "high-water mark of the Confederacy."

COVENANTS OF RESILIENT LEADERSHIP

What do these events share? They help us unravel the mystery of effective crisis leadership and demonstrate the covenants of resilient leader-

ship: strong, decisive action that encourages and motivates, and honesty and honor, which instill confidence while building trust and fidelity . . . strength and honor.

We first discovered these covenants of resilient leadership in the ancient Chinese manuals of war. The great military strategist Sun Tzu wrote of leadership in crisis about 500 BC. His principles are simple yet powerful:

- ▶ *Be decisive.* Vacillation saps the strength of any army.
- ▶ *If action is necessary, make it swift.* Act boldly; no one benefits from protracted conflict or ambivalent leadership.
- ▶ *The foundation for decisive action must be trust and devotion.* Follow the law of morality, Sun Tzu wrote. “Regard your soldiers as your children, and they will follow you into the deepest valleys; look on them as your own beloved son, and they will stand by you even unto death.”

A review of leadership in high-risk, often life-and-death situations, called “in extremis” situations by researchers Thomas Kolditz and Donna Brazil, is of particular interest. Kolditz and Brazil (2005) conclude that “authentic” leadership is most effective under pressure. Authentic leaders are confident, optimistic, and possess high moral character and ethical reasoning. They provide purpose, motivation, and decisive direction during highly stressful conditions. They are most likely to create loyalty, obedience, admiration, and respect. Authentic leaders seem to exert much of their effectiveness by making their followers feel safe. They ease fear and provide hope; safety is based in trust, and trust in honor and integrity.

The covenants of resilient leadership are strong, decisive action that encourages and motivates, and honesty and honor, which instill confidence while building trust and fidelity.