

# The ultimate test of leadership

by **BILL GEORGE**

THE economic calamity of 2008–2009 was not caused by subprime mortgages, credit default swaps, or even excessive greed. These are only symptoms of the real problem. The root cause of the problem was failed leadership from leaders who didn't follow their True North.

In my book "True North", I defined True North as the internal compass of your beliefs, values, and principles that guide you through life. Like being in a crucible, a crisis tests whether you will hold fast to your beliefs.

Crises have brought down many leaders and their organisations with them, while other leaders have risen to the challenges to prove their mettle.

Here are seven lessons that I have gleaned through my years of leading in business, non-profits, government, and academia. They are relevant to leaders, from those in the early stages of their careers to recently appointed CEOs, to help them follow their True North when they are facing their defining moment.

Practice of these seven lessons have proven to make better leaders after the fact.

**Lesson 1:** Face reality, starting with you. Until you acknowledge that you are facing a serious problem, including your role in creating it, you cannot move forward to solve it.

**Lesson 2:** Don't be Atlas; get the world off your shoulders. You cannot get through this alone, so don't try to carry the whole world on your shoulders. Reach out to others inside your organisation and in your personal life to share the burden and help you come out a winner.

**Lesson 3:** Dig deep for the root cause. Under the pressures of a crisis, there is temptation to jump to quick-fix solutions that may mask the real problems and leave your organisation vulnerable to repeating the crisis. The only way to solve these problems is to understand their root cause and implement permanent solutions.

**Lesson 4:** Get ready for the long haul. When you are confronting significant problems, your first reaction may be that things can't really be that bad. But in its early stage, you may be looking only at the tip of the iceberg, and things may get a lot worse.

In a crisis, cash becomes king. To survive the crisis, you need to prepare for a long struggle to defend against the worst conditions so you will be prepared to pass through the eye of the storm.

**Lesson 5:** Never waste a good crisis. The challenges you are facing represent your best opportunity to make major changes in your organisation because they lessen the resistance that exists in good times. You should move aggressively to take actions necessary to strengthen your suggestion as you emerge from it.

**Lesson 6:** You're in the spotlight: Follow True North. In a crisis, everyone watches what you do. Whether you like it or not, you are in the spotlight both inside and outside the company. Will you stay focused on your True North, or will you succumb to the pressure?

**Lesson 7:** Go on the offence; focus on winning now. Coming out of a crisis, the market never looks the same as it did going in. So don't just batten down the hatches and wait for business to come back. This is your opportunity to reshape the market to play to your strengths. While others are licking their wounds, you should focus on winning now.

The best leaders emerge from a crisis as winners because they are both aggressive and courageous in turning the challenges to their advantage. Beyond that, they are passionate about using their leadership to make a difference in their employees, their organisation, and the world.

---

*Excerpted, with permission of the publisher, from 7 Lessons for Leading in Crisis by Bill George. The writer is professor of management practice at the Harvard Business School and former chairman and CEO of Medtronic. Source: American Management Association.*