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By Joseph Michelli, PhD



INVESTMENTS & WEALTH INSTITUTE®

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As an investment and wealth management professional, you are an expert at helping clients with risk, volatility, and uncertainty. Thanks to your core competencies, clients are able to plan, build, and preserve wealth.

Unfortunately, excellent planning skills couldn't protect the financial services industry from the coronavirus pandemic.

As former heavyweight boxing champion Mike Tyson said, "Everyone has a plan until they get punched in the mouth." In 2020, we all got punched in the mouth by a submicroscopic organism. COVID-19 knocked out some businesses immediately, and it made others wobble in the later rounds. Yet many professionals are well-positioned for success beyond the pandemic.

I suspect you had a well-crafted 2020 strategic plan, but I doubt it was of much value by the second quarter of the year. I planned to write a book about a client, Godiva Chocolatier. By late February 2020, that project was on hold and I was working on a variety of COVID-19 task forces. As I watched leaders struggle with the pandemic, I began asking them what they were learning about leading during the worst crisis of their lifetimes and how they were positioning their businesses for long-term success.

I engaged in conversations with board members, founders, chief executive officers (CEOs), presidents, c-suite leaders, and vice presidents of highly

recognizable brands. To balance the perspective of these talented for-profit leaders, I reached out to an equally impressive group of senior leaders at nonprofit organizations, academic institutions, and public safety agencies.

I captured the insights of these leaders (more than 140 in all) in *Stronger Through Adversity* (2020). Corporate leaders represented brands such as Airbnb, Kohl's, Marriott, Mercedes-Benz, Microsoft, Roche Diagnostics, Siemens, Southwest Airlines, Starbucks, Target, and Verizon.

Nonprofit leaders included CEOs and senior leaders from American Red Cross, Feeding America, Goodwill, Human Rights Watch, Human Society of the United States, St. Jude Children's Research Hospital, Salvation Army, and United Way.

I also reached out to clients and colleagues in the financial services industry. They shared their advice for resilience and thriving beyond the pandemic. Here are eight of their actionable insights:

Prepare for the marathon.

Tash Elwyn, president and CEO of Raymond James & Associates, encouraged leaders to acknowledge the importance of self-care while focusing on the well-being of those they serve.

"This pandemic has been the proverbial 'it's a marathon, not a sprint' situation," Elwyn said. "It has led me to conclude

that we, as leaders in every level of the organization, need to view ourselves almost as if we are professional athletes, focusing on pacing ourselves such that we can perform at peak levels for a sustained period of time. This requires proper sleep, diet, and exercise, no matter how difficult that may be amid handling everything else the pandemic presents."

When it comes to professional athletes, we think of self-care as preparation and training. Training builds stamina and sustains elite performance levels. Stamina will be needed to manage COVID-19 and a post-pandemic world.

Bring more of yourself to work.

Jennifer Prosek is a managing partner of Prosek Partners, a communication firm that specializes in the financial services sector. She said that working from home during the pandemic has given professionals an opportunity to spotlight their individuality.

"When you jump on a video call from a makeshift office in your bedroom or living room, you are instantly sharing more of yourself," Prosek said. "If [people] weren't willing to turn on their cameras or be seen more casually and naturally, they missed a special opportunity to connect. Choosing to be real in the moment communicated that we are all in this together."

Prosek acknowledged that not everyone is comfortable conducting business in a relaxed and informal way, but it can be learned. "I've really had to push myself to

be more willing to share,” she said. But, she added, “When I posted something on LinkedIn that mixed humanity with business, viewership skyrocketed. I wrote an article about the contract we forged with our 12-year-old daughter as part of our decision to purchase her an iPhone. I called it ‘A Promise to Your Parents.’ ... It shared angst in deciding on her readiness for the phone. It also captured the promise our daughter made based on the responsibilities that came with that life-changing technology purchase.”

She hesitated posting it, fearing it wasn't relevant to her LinkedIn audience. “I took a chance, and it didn't take long for views to eclipse 60,000. If the popularity of the article wasn't surprising enough, it also drove personal connections, and it had a lasting impact.”

“Long after the article appeared on LinkedIn, I got weekend calls from executives at private equity firms. They would tell me how they remembered the piece and wondered if I could send it to them. They wanted to share it with their partner as they worked together to decide on a phone for their pre-teen. By taking the risk to share a personal dilemma, I connected with an amazing number of people who faced similar challenges. Being real pays in more ways than I could have imagined.”

A willingness to be appropriately vulnerable enables you to connect with prospects and deepen relationships with clients.

Acknowledge your limitations.

One unintended benefit of the pandemic has been the willingness of professionals and leaders to say the words, “I don't know, but let's work on getting that information.” Many professionals also have acknowledged missteps.

Jeff Dailey, CEO of Farmers Insurance, said that early in the pandemic, his team projected that automobile claims would go down because people were driving less and suggested adjusting personal auto premiums downward.

“It was such a murky period, so I passed on that idea in favor of shoring up the company's finances for uncertainties ahead,” Dailey recalled. “Shortly after that, another insurance company announced they would be the first to make a premium reduction, and we were a fast follower. Not every company followed behind us, but most did over time. I wished I would have sided with my team more quickly. It was my mistake.”

When you acknowledge an errant choice, and you swiftly remedy it, your vulnerability forges trust—for team members and clients.

Dailey acknowledged his errant decision during an enterprise-wide videoconference. Results from team-member surveys suggest that his vulnerability paid dividends. The surveys indicated a boost in employee retention, productivity, and loyalty.

Team members didn't lose trust in a vulnerable and honest leader who took responsibility for his choices. Instead, their trust and confidence in leadership grew. Everyone makes errors. Most leaders make the best decisions possible, given the information available. When you acknowledge an errant choice, and you swiftly remedy it, your vulnerability forges trust—for team members and clients.

Increase communication frequency but not at the expense of clarity.

Clients and teams require regular communication that conveys honest information and realistic optimism during and beyond a crisis. Penny Pennington, managing partner at Edward Jones, said her firm has made a conscious effort to dial up the frequency of communication and talk directly about the issues on the minds of the people it serves.

“We openly shared how we were making decisions and the reasons behind the hard choices we faced, like wage freezes or the cancellation of major events,” Pennington said. She and others cautioned that a failure to ramp up messaging could result in a vacuum that clients and team members would fill with misinformation, rumors, and worst-case scenarios.

Conversely, leaders also warned that too much communication could lead to message fatigue, disruptions in workflow, and less engagement when attention to a specific message was needed. They emphasized the importance of communicating based on a plan as opposed to an impulse.

Leverage crisis-related energy to drive priorities.

Joe Duran, head of personal financial management for Goldman Sachs, said that a crisis can drive constructive change by accelerating movement into areas of opportunity.

“In a crisis, there is less resistance to innovation,” Duran said. “As the pandemic unsettled everyone, you could help resettle them in a place of growth.”

“I know that most people don't share my view. However, being raised in ... war-ravaged Zimbabwe, I'm very comfortable running into chaos and driving productivity by focusing on three C's—communication, care, and clarity. Specific to clarity, your people need to know your priorities and how they can innovate to address them productively.”

To turn disruption into productive change, leaders need to channel the emotional energy of the crisis (fear, uncertainty, discomfort) toward critical objectives. In the absence of clear priorities, people expend energy aimlessly.

By setting clear, prioritized targets, your clients and teams can plan and use their resources wisely. As Abraham Lincoln is

known for saying, “Give me six hours to chop down a tree and I will spend the first four sharpening the axe.”

Foster collaborative idea sharing. Karyn Twaronite, vice chair of diversity and inclusiveness at EY Global, offered practical tools for helping professionals include all team members in collaborative idea-sharing.

In healthy collaborative environments, teams establish ground rules for communication and coach one another when behavior falls outside of those rules.

“Throughout the pandemic, we focused on strengthening inclusive leadership,” Twaronite said. “To do that, we put tools in the hands of all leaders to make sure they were involving and looking out for everyone. We offered resources and processes for expanding thinking patterns, listening to every voice, and resisting the tendency to hunker down with your team to the exclusion of others. We also emphasized the importance of checking in with every team member on important decisions.”

Effective idea-sharing starts with “authentically valuing the input of others and not just humoring people by asking them to weigh in,” she said. “Since we work on global teams, we demonstrate that authentic interest by respecting cultural and language differences as well as time zones. One best practice for leaders of international teams is letting people know in advance that you will be looking for their input on a specific subject. That way, they will have the chance to think about the topic. Additionally, they will have time to think about how they will share their input in what may be a second, third, or fourth language to them.”

Twaronite recommends using advice from Wharton organizational psychologist Adam Grant that the HIPPO (highest paid person’s opinion) should speak last. “That means the leader should withhold opinion or input until everyone else has spoken,” she said. “We also encourage leaders to simply slow down to make sure there is space for everyone to participate. We have seen outstanding performance when leaders apply these best practices, and team surveys indicate that people feel their input is valued.”

Individuals process information and offer input in different ways. Some jump directly into a conversation when a new topic surfaces. Others need time to mull over an idea before they provide input. To give everyone a chance to speak, professionals should give advance notice on topics (whenever possible), speak last, and slow down the conversation. In this way, leaders model desired behavior for discussions that will occur in their absence. In healthy collaborative environments, teams establish ground rules for communication and coach one another when behavior falls outside of those rules (e.g., limit interruptions, respect divergent ideas, limit overtalk, have full input before devising solutions). These types of rules can be especially helpful with lags and choppy interactions that occur during video conferences.

Sterling Shea, formerly global head of wealth management at Barron’s, emphasized the importance of collaborating and fostering collaboration. “We are in the business of partnering with those we serve to help them with business solutions, so partnership outreach kicked into high gear during the pandemic,” Shea said. “We also offer value by connecting people. While I’ve always been a connector, that behavior increased in response to COVID-19. For example, I talked to two asset managers individually and found that they’d benefit from a strategic discussion. I facilitated their meeting and they developed a business relationship that will likely produce long-term benefits. I strive to be of value

by first trying to solve problems, and if I can’t bring a solution, I try to help by finding someone who can assist.”

To add value as a connector, we need to learn what people in our network are wanting, needing, and achieving. Through that knowledge, we can create value by bringing people together.

Deliver service that is human-powered and technology-aided. Ben Salzmann, president and CEO of Acuity Insurance, said that having invested in people and technology helped enormously during the pandemic crisis. “We were able to adapt technologies so our employees could focus on our agents and customers without being disrupted,” he said.

“Instantly, 98 percent of our employees stopped working at headquarters and began working in their bedrooms, at client sites, or on the side of a highway. It happened flawlessly. They were handling large, complicated commercial and individual policies, and executing smoothly.”

Salzmann said he and his team have treated their business much like they are building an Olympic team. “We had to select the best talent [and] provide them [with] world-class training and technology tools to focus on the goal of extraordinary care for one another, our agents, and customers. That approach served us well before the pandemic and may have even served us better throughout it.”

Salzmann’s analogy is especially illustrative. Designing streamlined productivity begins with talent selection. It then moves through enculturation, tactical prioritization, training, and tool enablement. Apple CEO Tim Cook shares the perspective concerning a leader’s role in developing people and providing enabling tools. Cook once said that at Apple, “The most important thing we can do is raise people up—that is, either by giving them the ability to do things they could not otherwise do or allowing

them to create things they couldn't otherwise create. It's about giving them tools; it is about empowering people."

At Apple, Acuity, or your investment and wealth management business, streamlining productivity is a function of driving human-powered, technology-aided experiences.

Keep investing for the future.

Richard Weil, CEO at Janus Henderson Group, emphasized the importance of adjusting your investment strategy in phases.

"Most leaders try to plan for crises by creating a strong financial foundation and a robust culture," Weil said. "If that plan is successful, the first hit from the crisis should allow them to stay client-focused and not to be reactive in a self-focused way. Their people won't need to be worried about themselves and instead can think about their clients first."

That buffer provides an advantage because it allows leaders to take a medium- to long-range perspective from the outset of the crisis. "If the crisis holds on, however, it can be difficult to sustain perspective on the longer-term, especially as your reserves diminish."

Despite the challenges of a prolonged crisis, Weil warned against cannibalizing future resources. "You can't do destructive things like eat your seed corn or fire your best talent," he said. "To the highest degree possible, you have to firewall some of your resources to make sure you have the right people and tools needed to create success after you escape the crisis. We've taken the approach of solvent financial leadership and calculated future investments in our business throughout the pandemic."

Crisis uncovers the character of heroes.

You will be remembered more for what you do in a crisis than what you do during calmer times. In other words, we will leave a legacy. The question is

whether that legacy will be by design or default.

Effective professionals identify how they want to be remembered once this crisis is over. They take action to increase the likelihood that their desired impact will occur.

I asked all 140 people who participated in *Stronger Through Adversity* how they wanted to be perceived given their choices and behavior during the pandemic. Their responses fell into three broad areas. They wanted to be known for leading with competence, purpose, or character.

Although many individuals blended elements from these three areas, they typically had a prominent theme. In the context of competence, they often wanted to be viewed as having fostered effective communication, goal-setting, team alignment, operational excellence, or organizational productivity.

"I hope people will say love was the driving force for everything we did," he said. "Ideally, they would feel we loved our people and our clients. They would also sense that we loved waking up each morning to serve them."

Concerning purpose, many professionals said they wanted to be viewed as having prioritized team members, set safety as supreme, or championed mission, vision, and values.

With regard to character, they wanted to be known for having led calmly and with moral courage.

Cathy Lanning, senior vice president, property and casualty marketing at Nationwide Insurance, suggested she

and her leadership team ideally would be seen as "bold and fearless."

"I come from a long history of leaders who didn't fear tough decisions," Lanning said, framing her team's legacy as a continuation of the one established by prior generations of leaders. "They were visionaries about what protection means to people and businesses. ... So, hopefully, people will see our leadership team as being willing to reinvent ourselves and do so fearlessly."

Duran, of Goldman Sachs, described his desired legacy with a word not commonly used in investment and wealth management. "I hope people will say love was the driving force for everything we did," he said. "Ideally, they would feel we loved our people and our clients. They would also sense that we loved waking up each morning to serve them."

What one impact do you wish to have long after the pandemic? What lessons have you affirmed or learned from the diverse challenges of 2020 (e.g., lockdowns, layoffs, remote work, social unrest, political polarization, and shifting government regulations)?

The famous self-help author Napoleon Hill, best-known for the Depression-era classic *Think and Grow Rich*, said, "Every adversity, every failure, every heartache carries with it the seed of an equal or greater benefit." May those seeds position you and your organization to be *Stronger Through Adversity*. 🟡

Joseph Michelli, PhD, is a customer-experience professional and author of nine books about companies such as Airbnb, Starbucks, Zappos, Mercedes-Benz, and Ritz-Carlton. Contact him at joseph@josephmichelli.com.

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INVESTMENTS & WEALTH INSTITUTE®

5619 DTC Parkway, Suite 500
Greenwood Village, CO 80111
Phone: +1 303-770-3377
Fax: +1 303-770-1812
www.investmentsandwealth.org

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