Courage as a Skill

How can you know the difference between political courage and political suicide?

by Kathleen K. Reardon

A DIVISION VICE PRESIDENT blows the whistle on corruption at the highest levels of his company. A young manager refuses to work on her boss's pet project because she fears it will discredit the organization. A CEO urges his board, despite push back from powerful, hostile members, to make a serious investment in environmentally sustainable technology. Such things happen every day in firms around the world. What is behind these high-risk, often courageous acts?

The U.S. senator and onetime prisoner of war John McCain has defined courage as a brief, singular occurrence: "that rare moment of unity between conscience, fear, and action, when something deep within us strikes the flint of love, of

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honor, of duty, to make the spark that fires our resolve." This definition conjures up an image of the lone hero who – instinctively, spontaneously, and against all odds – suddenly takes charge and stands up for virtue.

Certainly, courage is sometimes a matter of life and death. Police officers and firefighters risked and lost their lives saving people on September 11, 2001; people dove into swirling waters to rescue strangers after a giant tsunami swept Indonesia in 2004. Yet in my 25 years of studying human behavior in organizations, I've discovered that courage in business seldom operates like this. Through interviews with more than 200 senior and midlevel managers who have acted courageously – whether on behalf of society, their companies, their colleagues, or their own careers – I've learned that this kind of courage is rarely impulsive. Nor does it emerge from nowhere.

In business, courageous action is really a special kind of calculated risk taking. People who become good leaders have a greater than average willingness to make bold moves, but they strengthen their chances of success – and avoid career suicide – through careful deliberation and preparation. Business courage is not so much a visionary leader's inborn characteristic as a skill acquired through decision-making processes that improve with practice. In other words, most great business leaders teach themselves to make high-risk decisions. They learn to do this well over a period of time, often decades.

Learning to take an intelligent gamble requires an understanding of what I call the "courage calculation": a method of making success more likely while avoiding rash, unproductive, or irrational behavior. Six discrete processes make up the courage calculation: setting primary and secondary goals; determining the importance of achieving them; tipping the power balance in your favor; weighing risks against benefits; selecting the proper time for action; and developing contingency plans.

Setting Goals

The first component of the courage calculation answers these questions: What does success look like in this high-risk situation? Is it obtainable? If my primary goal is organizational, does it defend or advance my company's or team's principles and values? If my primary goal is personal, does it derive solely from my career ambitions or also from a desire for my organization's or even society's greater good? If I can't meet my primary goal, what is my secondary goal?

Suppose a well-regarded coworker is about to be fired. He has been maligned, and the person who poisoned his well did so to clear his own path to promotion. Colleagues have been grumbling about this, but no one has stepped forward to counter the false accusations. The senior manager who will do the firing is a poor listener and tends to kill messengers. Given the politics, should you try to save your coworker? Would doing so advance both the firm's and your own goals, preferably without making the senior manager look inept?

Whether primary or secondary, your goals should be reasonably within reach, not pie-in-the-sky ambitions. A primary goal that serves the organization might be either to rescue a good employee or to prevent the senior manager from acting on faulty information. A secondary organizational goal might be to apprise the senior manager of a "rat" in the company's midst. A primary goal that serves you personally might be to receive some behind-the-scenes credit for helping the employee. A secondary personal goal might be to feel that you did something for the greater good.

Although the odds of success will be hard to estimate before the other decisions in the courage calculation have been made, it is possible at this stage to think about the likelihood of primary-goal achievement. The venture capitalist Tania Modic, for instance, managing partner of Western Investments Capital, took a big risk in her first job out of college, as the assistant marketing development officer at an international bank. Modic's fancy title had a catch: There was no marketing development officer for her to assist, and the work she was assigned was unchallenging. The ambitious Modic wanted to contribute to the bank's success and also to her own advancement. Having helped many people senior to her, she knew she had the skills to do their jobs. So, using vacation time and her own money, she traveled to New York, called on some accounts that her senior colleagues had allowed to languish, and revitalized them. When she returned, some high-placed noses were out of joint, but her courageous action gained the attention of senior management, and she was rewarded with praise and, later, a promotion.

Modic was not merely brash. She thought clearly about her goals and the circumstances surrounding her high-risk maneuver: the culture of the organization, her personal history and skills, and the points of view of others involved. Her primary goal was organizational – to revitalize the dead accounts – and she estimated her chances of achieving that goal at about 70%. Her secondary goal was personal – to raise her visibility – and she saw a 60% chance of succeeding at that. She estimated her chances of getting fired at about 50% – or higher if she failed to rescue the accounts. Modic decided that she could live with these odds: The upside for the bank was considerable, and for herself, she believed, even bad visibility was better than none. She took the plunge, and went on to an impressive career. Like many effective leaders, Modic succeeded by recognizing, early in her career, the advantages of careful risk calculation over impulsiveness.

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Determining Your Goals' Importance

The second component of the courage calculation addresses these questions: Just how important is it that you achieve your goal or goals? If you don't do something about the current state of affairs, will your company suffer? Will your career be derailed? Will you be able to look at yourself in the mirror? Does the situation call for immediate, high-profile action or something more nuanced and less risky? Courage is not about squandering political capital on low-priority issues.

To distinguish such squandering from constructive risk, John Hallenborg, a Los Angeles–based senior entertainment manager, assigns importance at three levels. On the lowest rung of his risk-taking ladder are issues about which he does not feel strongly, though he may prefer a particular outcome and may say so in a low-risk situation. Middle-rung issues are those about which his opinion is strong but doesn't involve higher values; his feelings may change based on new information. At the top of the ladder are "spear in the sand" issues. He perceives these as resting on morals or values for which he is willing to take a stand and fight.

Spear-in-the-sand situations require that you weigh your belief in the cause against the risks involved. Such situations are rare: They occur when negotiation is difficult or impossible, open minds are hard to find, and doing nothing is simply not an option. Peter Rost, a physician, formerly with Pfizer, drove his spear into the sand when he broke ranks with his employer by calling for legislation allowing the import of lower-priced medicines from Canada and elsewhere – a practice the U.S. drug industry strongly opposes. He also put his job on the line in efforts to halt the sale of off-label drugs and the associated incentives for physicians. Rost did not take on the pharmaceutical industry lightly, and the move cost him his career. But his convictions were too strong to ignore. He left the industry and went on to write *The Whistleblower: Confessions of a Healthcare Hitman.*

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Tipping the Power Balance

People often assume that power in corporations is a simple matter of position on the organization chart. In attempting to please those above them, many people choose never to take a stand. But in reality, even those in top management give power to anyone on whom they are dependent – whether for respect, advice, friendship, appreciation, or network affiliations. Seen this way, power is something over which we really do have considerable control. By establishing relationships with and influencing those around you, for example, you gain sway over people who otherwise hold sway over you. This gives you a broader base from which to make bold moves.

You can wisely form supportive power networks in advance, but building them takes time. In 1981 Jack Gallaway developed his power base as part of a courage calculation on behalf of Ramada. At the time, Gallaway was president of the Tropicana hotel and casino in Las Vegas, which Ramada owned. The company, having spent $340 million to construct its Atlantic City casino, was selling off hotels to make up for a 300% cost overrun. The last thing Ramada's board and top managers wanted to consider was any kind of expansion. But Gallaway believed that expansion in the booming Las Vegas market was critical.

When he approached Ramada's senior managers about adding another hotel tower to the Tropicana, they told him to stick to his knitting. "They wouldn't even give me the money to work on the concept designs," he recalls. He decided to see what he could do by leveraging his external network: He contacted an executive with Mardian, a Phoenix-based real estate developer. This was a clever move, because the powerful chairman of Ramada himself had previously passed on the executive's name.

Gallaway knew that Mardian was in the process of building a stadium in Las Vegas, and that the executive and other employees would need a place to stay while in town. So he made a trade: He provided Mardian's people with hotel rooms and transportation for a week in exchange for a complete set of concept drawings and an architectural model of a new Tropicana tower, worth more than $100,000. Mardian's senior managers knew this would give them the inside track if the hotel expansion was actually undertaken.

Gallaway's calculation paid off. When the Atlantic City operation opened in 1982, Ramada was again in the black, and Gallaway made his move. He presented Ramada's board with the drawings and the model, and the board approved the project. He knew that he could have been handed his head for going against the board's instructions, but he lowered the risks by tipping the power balance – working with someone he'd found through Ramada's chairman. Meanwhile, he proved himself a loyal "citizen" by keeping his operation's numbers up. By the time the company's financial crisis was over, Gallaway had secured an invaluable foothold in Las Vegas.

Weighing Risks and Benefits

This component of the courage calculation focuses on trade-offs. Who stands to win? Who stands to lose? What are the chances that your reputation will be tarnished beyond repair if you go forward? Will you lose respect or your job? Cause others to lose theirs? Delay your opportunity for promotion?

Lieutenant General Claudia J. Kennedy, the first female three-star general in the U.S. Army, went through a difficult risk-benefit assessment before reporting a fellow officer who had plagiarized a research paper at a professional army school. Kennedy weighed the negatives (discomfort and embarrassment for "snitching" on a fellow officer) against the positives (allegiance to the army's high standards for its future leaders, and adherence to her own ethics). The decision was difficult: An instinct for self-protection, loyalty to her colleagues and to the institution, and her personal integrity all contended within her. She considered speaking privately to the officer, but realized that he would react angrily and that, after all, it wasn't her job to manage him. In the end, she decided that her loyalty to army standards was paramount: "I…recognized that overlooking an ethical lapse was tantamount to participating in the event," she writes in her book *Generally Speaking.* She discreetly reported the incident; her reputation remained intact and her career thrived.

Other trade-offs deal with the quality of the action and the strategy involved. Are your goals better served if you act in a direct and forceful way or if you take an indirect approach? A story I call "Send Him a Rose" exemplifies the calculation required here. A division vice president who had a habit of enraging underlings stormed into the office of Rick Sanders (not his real name), the editor of an in-house corporate newspaper. The VP accused Sanders of not having checked his facts before printing a story about the VP's division. He ranted and raved, giving Sanders no chance to point out that the facts in question had come from the VP's own assistant.

At first Sanders wanted to send the executive a scathing e-mail. He knew that doing so would mean saying good-bye to his job. He was angry enough not to care, but he considered the costs to his division: The VP would probably refuse to work with Sanders's colleagues in the future, and their reputation with the CEO would be sullied. Sanders was far less willing to chance this. "If I reacted too strongly," he remembers thinking, "I'd run a big risk of hurting my team. Still, I felt I had to do something."

Sanders chose a judolike approach suggested by a colleague, who told him to "send the VP a rose" in the form of a disarmingly professional memo. The memo reminded the executive of the good relations their two departments had enjoyed over the years. Sanders said he regretted the inaccuracy but mentioned that the facts had been checked with the VP's assistant. He ended with a hope for positive collaboration in the future. The memo was not apologetic; rather, it was civil and to the point, and it invited a higher level of discourse – in essence, teaching the executive how to behave like one. After calculating the benefits of such a move, Sanders opted for what John F. Kennedy, in *Profiles in Courage,* described as a less glorified but nevertheless critical form of courage, which achieves the better outcome through a willingness to replace conflict with cooperation.

A few weeks later, Sanders happened to see the vice president. Instead of glaring reproachfully at Sanders or ignoring him, the VP shook his hand respectfully and said, "It's a pleasure working with you." The memo, which demonstrated a level of professionalism the executive himself had failed to display, paid off. Whereas countless others had crashed on the VP's reef, Sanders preserved an important relationship for his division and for himself. He also learned that he could deal with a tough customer in a creative way.

Courageous action in business is for the most part deliberative. Real emergencies are rare. Time may well be on your side.

Selecting the Right Time

Desmond Tutu has described good leaders as having an uncanny sense of timing. "The real leader," he writes, knows "when to make concessions, when to compromise, when to employ the art of losing the battle in order to win the war."

It can be argued that when someone is confronted by a situation that requires courage, the question of timing should be irrelevant. We assume that in spear-in-the-sand situations, when much is at stake and emotions are running high, brave people don't hesitate to act. This may be true in emergency situations, but a single-minded rush to action in business is usually foolish.

Consider what happened when one group of senior managers pressured their CEO, who was in his seventies, to produce a succession plan a year before he was ready to do so. The CEO, who had always treated his managers like family, was deeply hurt. Though he wasn't opposed to the notion of succession planning, he considered the forcing of it premature and impertinent. Had the managers waited, the CEO later told me, they would have accomplished their mission. But they were adamant. The CEO's anger grew; he edged out one manager, and the others were soon looking for new jobs.

Although emotion is always in the mix, and may even be an asset when making a courageous move, the following questions can help in logically calculating whether the time is right:

- Why am I pursuing this now?
- Am I contemplating a considered action or an impulsive one?
- How long would it take to become better prepared? Is that too long?
- What are the pros and cons of waiting a day, two days, a week or more?
- What are the political obstacles? Can these be either removed or reduced in the near future?
- Can I take steps now that will create a foundation for a courageous move later?
- Am I emotionally and mentally prepared to take this risk?
- Do I have the expertise, communication skills, track record, and credibility to make this work?

Spending too much time on any or all of these questions, of course, can lead you into Hamlet's trap, and the opportunity for courage may pass you by. At the same time, too little consideration may result in an o'er-hasty leap. It's important to remember that courageous action in business is for the most part deliberative. Real emergencies are rare. Time may well be on your side.

Before you make your move, it's critical to marshal sufficient support, information, or evidence to improve your odds of success. The sisters Cori and Kerri Rigsby were veteran employees of E.A. Renfroe, a firm that helps State Farm and other insurance companies adjust disaster claims. Following an influx of claims by Hurricane Katrina victims, the Rigsbys found indications that State Farm was pressuring engineers to alter their conclusions about storm damage so that policyholders' claims could be denied. The sisters could have gone public with the first or second piece of evidence, but they were wise enough to know that they needed much more. They spent months collecting 15,000 pages' worth of internal reports, memos, e-mails, and claims, which they turned over to federal and state regulators. They then went to work as consultants for the Scruggs Katrina Group, which was organized to sue insurance companies on behalf of thousands of policyholders.

My research indicates that those who act courageously in business settings have an instinct for opportunity. They read situations quickly, but they are never reckless. If they sense that the emotional climate is not right for a frontal assault, or that history or politics raises insurmountable obstacles, they pause, reflect, and consider another time or route. If they feel outmatched or lack the skill or stamina to go the distance, they continue to gather their resources and wait for a more propitious moment. Choosing the right time is the most difficult part of the courage calculation; it takes a deep sensitivity to one's surroundings and a great deal of patience.

Developing Contingency Plans

Faced with having to take a risk, most people make only one attempt: They ring the doorbell, and if a response is not forthcoming, they give up and go away. Those who accomplish their primary and secondary goals try knocking at the back door, tapping at a window, or even returning a second time.

Winning in risky situations often requires being what you haven't been, thinking as you haven't thought, and acting as you haven't acted. The better developed your contingency plans are, the likelier it is you'll achieve your primary and secondary goals. But before deciding how to proceed, it's important to account for possible failure. If you don't meet your objective, what then? Will your team lose credibility? Will you think about resigning? If not, how might you salvage your job or reputation? Can failure be converted into something positive?

Contingency planning is really about resourcefulness. People who take bold risks and succeed are versatile thinkers; they ready themselves with alternative routes. Tania Modic, for example, decided that if things went badly after her risky move, she would call the bank chairman, with whom she had a good rapport, and explain her decision. She could promise never to step out of line again. She figured that asking forgiveness after the fact was a better option than asking permission beforehand. She believed that if she got into trouble, one good word from the chairman would help her case. She even invited him to listen in on the phone call in which her superiors asked her to explain herself. As it turned out, she didn't need the chairman's support; but knowing that she could probably get it had emboldened her.

Courageous managers prepare themselves for any eventuality, including worst-case scenarios. Alison May was one of a group of stock traders attending a conflict-resolution workshop. All the attendees were young, bright, and capable, but also mutually antagonistic and unrelentingly competitive. They were courteous during the workshop, even flattering one another; but their level of conflict had reached pathological proportions, and May was disgusted by the vicious backbiting and hypocrisy of the group. She spoke up: "Who are we kidding? We despise each other most of the time." Looking directly into the eyes of her colleagues, she proceeded to describe their most flagrant transgressions. Then one red-faced trader pointed a finger at another and the venom spilled. Attacks and counterattacks flooded the air, but the group was honestly confronting its demons. Progress was made and remedies agreed to, all because May stepped up to the plate.

May had thought long and hard about the worst possible consequence: that her candor would motivate the others to get her fired. She knew that she could get another job. In fact, her most liberating contingency plan was, as she put it, to "work at McDonald's flipping burgers" rather than remain in the vipers' pit. This gave her the freedom to speak up. To her relief, the group didn't hold her outburst against her. On some level, its members were relieved to have the issues aired, and the senior VP at the workshop was impressed. May went on to become the CFO of the outdoor-clothing retailer Patagonia and, later, the CEO of the gift-catalogue company RedEnvelope.

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Alison May once undertook an exercise that can be useful to anyone wishing to cultivate professional courage. She wrote down the five most critical conditions for any future endeavor: that she be doing meaningful work she loved; that she be proud of the company for which she worked and proud to tell people she worked there; that at least half the company's employees and senior managers be women; that the company have a higher mission and a product that was fun, valuable, or beneficial to society; and that the company's values match her own. Throughout her career, she has measured courageous risks against this template.

In the end, courage in business rests on priorities that serve a personal, an organizational, or a societal philosophy. When this philosophy is buttressed by clear, obtainable primary and secondary goals, an evaluation of their importance, a favorable power base, a careful assessment of risks versus benefits, appropriate timing, and well-developed contingency plans, managers are better empowered to make bold moves that serve their organizations, their careers, and their own sense of personal worth.

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"And it gets worse."

Charles Almon