

Leading during coronavirus: an open letter to CEOs



Written by

[Celia Moore](#)

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Key topics

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Your legacy is being determined now

What a difference a week makes.

Global leaders—corporate as well as political—have been aware of the coming COVID-19 storm since early in the year. However, only in the last few weeks have most begun to truly address the pandemic that has the world's population in its crosshairs.

And while most of the news, rightfully, has been focused on the ticking time bomb of rising caseloads and how to manage the overwhelming numbers critically ill from the virus, there is another looming threat that leaders need to understand: the decisions you make in the coming weeks will determine your legacy.

Crisis brings out the best as well as the worst in us. And because the stakes are high, every decision leaders make in the coming days will, for better or worse, be how they are remembered as leaders.

Johnson & Johnson enjoyed the benefits of the consumer trust their decisions facilitated for the next 30 years

In 1982, [two people died after taking capsules of Extra-Strength Tylenol](#). It was later discovered that they were laced with cyanide. At the time, Tylenol represented \$400 million in revenue for its manufacturer Johnson & Johnson, and nearly 100 million Americans had taken a Tylenol product in the previous year. By the end of the first week after the crisis unfolded, Tylenol's market share had fallen from 35 per cent to seven per cent, and half of Tylenol users said they would never use the product again.

The decisions that James Burke, the CEO of Johnson & Johnson, took over the next several weeks have remained a staple in classes on crisis management, leadership, and business ethics for the last four decades. That's because there are so few examples of leaders who make decisions that prioritise stakeholders so immediately and wholeheartedly when doing so threatens the immediate financial health and profitability of a firm.

In response, Johnson & Johnson tested more than eight million capsules within 10 days, and Burke pulled every bottle of Tylenol capsules from store shelves. Within six weeks, Johnson & Johnson had designed and introduced several measures to ensure the product could not be tampered with, and announced the 2.5¢ per unit cost of the more sophisticated packaging would be absorbed by the firm.

It is easy to be ethical when the moral choice overlaps with the profitable one

These were expensive and difficult decisions, and cost Johnson & Johnson at least \$50 million. However, a year later, Tylenol had regained 85 per cent of its market share. More importantly, Johnson & Johnson enjoyed the benefits of the consumer trust their decisions facilitated for the next 30 years.

Of course, this crisis was limited to one product and one firm. Today, almost every product and almost every firm is experiencing a crisis of one form or another. But the lesson of this story is that it is easy to be ethical when the moral choice overlaps with the profitable one. Our challenge in the coming weeks is to make ethical choices even when we are not sure they will restore our threatened businesses to financial health most quickly.

When we are under threat, our instinct is to self-protect. This often means we do whatever we think will ensure our immediate survival, without thinking about long term consequences. We can become more selfish, reducing our “circle of moral regard” (those to whom we believe we owe a moral duty) to those closest to us.

[Hence runs on toilet paper.](#)

However, we will not survive this crisis without thinking more expansively about to whom we owe a moral duty.

Let's be clear: we do not know how the next few months will play out. We can be pretty certain the world is heading for a major recession, the likes of which – a word being used liberally right now – is “unprecedented”. Whether or how many businesses will survive is unknown. And that's terrifying. Nevertheless, right now, decisions that support immediate needs to protect human life – even expensive, not-

sure-how-they-will-work ones – are what’s needed, and what will get us through this crisis.

Leaders model behaviour that is then copied by others

For example, Gary Neville and Ryan Griggs, former footballers who own two hotels in Manchester, announced they would close their doors to the public in order to [offer their beds to NHS and other medical staff](#). They also promised none of their staff would be laid off or asked to take unpaid leave. Roman Abramovich, who owns the Millennium Hotel near the Chelsea and Westminster Hospital, has [offered the same](#). Earlier this week, the [Grand Hotel in Brighton](#) followed suit, closing to offer its rooms to NHS workers.

Leaders who protect their workers will leave much different legacies from those who don’t

Leaders’ responses to protecting their workers’ safety, particularly in essential service roles such as food retailers, have also varied widely. David Potts, CEO of Morrisons, has employed 83 teams to [install protective screens at every checkout in their stores](#). Tesco, on the other hand, was slower to take such action, initially only placing tape on the floors of stores at metre intervals. While the tape was intended to signal the distances shoppers ought to be from each other, such tiny actions hardly informed the [behaviour of panicked buyers](#). Six months from now, the detrimental effects of failing to protect the safety of front line workers early enough will be much more visible and expensive than whatever it cost firms to install effective barriers between cashiers (who are on the front lines of this crisis) and the community.

We all need to learn, and learn fast, admitting our mistakes and correcting them when we can

I was disheartened when Richard Branson, CEO of Virgin, announced last week that he had [asked his staff to take eight weeks of unpaid leave](#) as the pandemic runs its course. However, admitting on his blog he had taken time to reflect on this choice, he announced on Monday that he would be [using \\$250 million of his own fortune](#) to protect the livelihoods of his 70,000 employees.

Our legacies are determined by the sum of the decisions we make. Some of our

decisions are more important than others. The decisions we make today, tomorrow, and in the coming few weeks will be heavily overweighted in how we are remembered, to ourselves, by others, and by history. Make them decisions that will make you proud the next time you look at yourself in the mirror.

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About Celia Moore

Professor of Organisational Behaviour; Co-Director, Centre for Responsible Leadership

Celia's teaching sits at the intersection of leadership and ethics, and she is particularly interested in supporting individuals to enact their moral agency responsibly. She has worked with several organisations on how to support more ethical behaviour at work, including the UK's Financial Conduct Authority, the Institute of Chartered Accountants of England & Wales, the UK's National Health Service, the International Anti-Corruption Academy in Vienna, the Brookings Institute in Washington, and several major financial institutions.

Before joining Imperial, she held positions at Bocconi University in Milan and London Business School, where she was on the faculty for nine years. She has also been a visiting scholar at Harvard Business School and a Fellow of the Edmond J. Safra Center for Ethics at Harvard University. She is currently an Academic Fellow of the Ethics and Compliance Initiative and sits on the UK's Banking Standards Board Assessment Steering Committee.

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