

Leadership: A Personal Journey

By Frederick W. Hill

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Not long ago, a leading scholar, impressed by the demise of communism, the spread of democracy, and booming stock markets here and abroad, proclaimed the "end of history." We had come to the point in the human story, he suggested, when the historian, or storyteller, could close the book, saying, "And they all lived happily ever after."

If nothing else, the past couple of years have exposed the absurdity of that viewpoint. Nine/eleven, the wars in Afghanistan and Iraq, sharp quarrels between longtime allies – all those things contribute to the eerie sense that is now upon us of being a part of history ... of "living in history" as it is unfolding.

Clearly, this is a time of extraordinary geopolitical uncertainty. And just as clearly, it is a time of considerable economic uncertainty. Let me illustrate that with a few facts gleaned from this year's *Fortune Magazine's* 500 issue.

Enron, which had been No. 5 in 2001, Gone! WorldCom, No. 42 last year. Gone! Perhaps most shockingly of all, almost 1/3 of the companies lost money in 2002.

Now I did not come here to preach gloom and doom. My point is simply that we live in a fast-changing world that is filled with uncertainty. There is no place you can go to avoid that – whether you are running your own company or working for a large and long established corporation. So I am in violent agreement with the theme of the confer-

ence. Without a doubt, times of great stress and turmoil call for strong leaders who are willing to step up to the challenge of change.

No one has written more cogently on the subject of leadership than one of your own, the now retired John P. Kotter. While management is about coping with complexity, he wrote, leadership is about coping with change. Professor Kotter recognized that leadership is intimately tied up with human drives and desires, frailties and weaknesses. Napoleon called a leader a "dealer in hope." But that's only part of the truth. Leadership is about raising the hopes, calming the fears, firing the imagination, and strengthening the resolve of real people. As Kotter wrote – "A peacetime army can usually survive with good administration and management up and down the hierarchy, coupled with good leadership concentrated at the very top. A wartime army, however, needs competent leadership at all levels. No one yet has figured out how to manage people into battle; they must be led."

I would like to thank Nancy Lane for that nice introduction. As you probably know, Nancy was the first African-American female officer at Chase Manhattan Bank. Nancy asked me to name the leaders I most admired when I was growing up; she asked me to talk about the leadership practices that I have used successfully in my career in changing from one industry and profession to another; and about handling communications for companies under siege.

In my career – and I am 53 years old – I have gone from banking to law enforcement, to law, to lobbying and to being head of marketing and communications for three well known corporations – the last of which completes a personal circle for me, as I have returned to banking. However, I know that some of you have been through as many or more transitions, or "reinventions," in your own

careers. There is probably very little I can say about my career that is going to come as a complete surprise to any of you. As African Americans who have achieved success in or around corporate America, I am sure you have developed a set of leadership practices of your own. So what I would like to do is share some of my experiences and what they taught me about leadership.

When I was growing up in Pittsburgh, the two great influences in my life were my father and my grandfather. From my dad I learned the values of self-reliance and hard work. He began his working career as a janitor in a hospital. On a janitor's wages, he worked his way through college and then enlisted in the Army in World War II. With the help of the GI bill, he went on after the war to earn an MBA. Unlike my career, the only management jobs that were open to my father were at the Post Office or in small, black-owned businesses.

My grandfather was a remarkable man, and something of a philosopher. He was the first black man in the United States to join the national linotypist union. My grandfather, even more than my father, lived in a time when segregation and discrimination were the hard, cold, everyday facts of life for people of color. Even so, he told me, "Never assume that race is an issue in your career." Act as though you belong, he said, and people will probably treat you as though you did. My grandfather made an excellent point. Many times, race is not the issue. But if you make it an issue, it will always be an issue.

So one of my most important observations about leadership is that we must "act" like we belong and don't make race an issue because for us it isn't.

My initial try at higher education ended with failure. I dropped out of college.

I will never forget the conversation my father and I had when he found out. He was one of the originators of "tough-love." He looked at me, painfully and said, "Son, how are you going feed yourself?"

So, that led to my first real job when I was 19, at

the Mellon Bank in Pittsburgh, working the twilight shift. After six months, I was promoted to shift supervisor, managing about 20 people – all white, all female, and all over the age of 40. That was in 1969!

My observation about leadership at Mellon is that you should be friendly, but not friends with the people you lead. Subtle difference, but important. It is hard enough to be an effective leader/boss. Mixing in friendship makes it all the harder.

After that, my next real job was as a Pennsylvania State Policemen. This was a real education. One thing about police work that you never see in the movies or TV; you are either bored to death or scared to death – never anything in between. That job taught me to be very observant ... to trust and listen to my instincts. It also taught me to constantly check and re-check details. Someone I knew in an undercover operation was badly hurt – almost killed – because the backup team wasn't in place. Someone hadn't paid attention to detail.

So always check the details. I am not good at that, so I try to have people that are around me who are.

While working full-time as a policeman, I went back to school, very serious this time and graduated *cum laude* from the University of Pittsburgh. Then I entered law school full time at the same university. After graduation, I joined a large firm in the city as a litigator.

If that job taught me *anything* ... it taught me to question *everything*. In litigation there are all usually "experts" who will try to intimidate you with sophisticated language and complicated charts and graphs. Often the experts don't really know the answer or they don't have it right. So you have to keep probing until you are satisfied and understand, or until you ask the one question that completely demolishes the expert's answer and destroys his credibility.

Again, this attitude and skill set are sorely needed in the corporate world. Inside every company, there are all kinds of "experts," who may be brilliant

and well-meaning people. Often, they know one thing so well that they fail to see that there are other things that also matter.... So question them, always ask questions and prepare the experts to be understood.

While working at Westinghouse, first as lawyer, then a lobbyist, and finally the head of marketing and communications, I taught undergraduate classes at the University of Pittsburgh. I'm sure you guys know this already, but teaching is one of the richest learning experiences you can possibly have.

When you teach, you have to motivate, set clear goals, fairly evaluate people and provide constructive feedback. You have to communicate clearly and serve as a coach in helping people reach their maximum potential. The same point applies to leadership – one of the easiest things to do is to praise – one of the hardest things to do is to criticize.

In 1995, I left Westinghouse and Pittsburgh to join McDonnell Douglas. I was 45.

McDonnell Douglas may have been down on its luck, but that didn't change one important challenge for a newcomer like me: There were some huge egos in top positions at the company – ex fighter pilots who had landed jet fighters on the decks on aircraft carriers 200 times or more. These were not the kind of guys who took kindly to advice from people who didn't fly, or who came from professions like PR, marketing and communications.

A little background – this is really a modified case study.

First of all, I had Harry Stonecipher as a boss. Harry had previously led GE's Aircraft Engines business. He had been brought in as CEO to fix the company's financial performance, and he proceeded to do just that. I was one of the first – and, in fact, one of his few outside hires and the only African-American on the senior staff. Harry was – and is – a *character*, who was usually cranky. Harry's favorite saying was a quote by another Harry – Harry Truman, who said. "I never give them hell ... I just tell them the truth and they think it's hell."

Harry gave me some typical Harry advice on dealing with some of company's biggest egos and it was the men, not the women who were a problem. "Try as hard as you can to reason with them," he said. "If that doesn't work, kick 'em in the balls."

I had experienced my own "hair-raising" experiences as a State Trooper. When you have been through life-or-death situations of your own, the day-to-day pushing and shoving in corporate America is not as daunting.

When I settled in, I found there was plenty of talent in the department, but a lack of direction and a hangdog attitude. That was due to a couple of factors. First, over the preceding several years, the company had taken a savage beating in the press over cost overruns, poor financial performance, and alleged "waste, fraud and abuse." And second, most of the people running the business units regarded the communications function as nothing more than a vending machine for punching out press releases. My team had no seat at the table.

So, first we had to change my team's mind-set. Then, we had to change attitudes – inside and outside the company.

First the team; I encouraged people to go from good to great on their own, to take risks, and to act as though they really did belong at the same table with the rest of management. One common message to all parties was that this was not a failing company; to the contrary, it was a great company that was becoming even better.

The tougher job was to change attitudes outside the company. But we did that too, through advertising and performance.

Harry wanted an ad campaign that would appeal to our people as much as our customers, that would humanize the company and reinforce an *esprit de corp*. He told me "When I look at these ads, I want the hair stand up on the back of his neck. And if it doesn't, it's no good." We met and exceeded that objective with the "McDonnell Douglas will" campaign. In print and broadcast, each of these ads

posed a question. It went something like this: “Because we believe in bringing families together, we make the airplanes that will, because we believe in protecting freedom, we make the fighters that will, because we believe in protecting heroes, we make the helicopters that will. This is the world we will leave to our children, we must make it with the best of our skill, and because we are the people of McDonnell Douglas, McDonnell Douglas will.”

When we rolled out the television ads for the first time at a management club dinner meeting on West Coast – with 1,200 mid-level managers in attendance – there was stunned silence followed by tumultuous applause. And it wasn’t just our own employees who loved these ads. *Everybody* loved them, including our customers, including the general public. As a big defense contractor, we had been a company that a lot of people loved to hate. These ads humanized the company – and they called attention to the real pride that people inside the company felt about their products and their work.

I hated to leave McDonnell Douglas, but leave I did following our merger with Boeing in 1997. Though I had been there little more than two years, my team – my highly energized department – had collected all kinds of national awards for excellence in advertising, annual reports, speeches and other publications. Better yet, we had been part of what was truly a winning effort – turning McDonnell Douglas into the highest-flying company in the aerospace index of stocks.

Mac-Dac taught me to not to be afraid to take calculated risks. And that is another reason why I was comfortable leaving.

Timing in my life truly has been everything and right around this time, Walter Shipley and Chase Manhattan Bank were looking for someone to lead marketing and communications. Through a series of mergers and acquisitions, Chase has morphed into JPMorgan Chase, where I have been productively engaged leading the marketing and communications team for the third largest bank in the world.

That’s now. Since I feel I am among friends, I will tell you that is not at all how I felt a year or so into this last transition. To put it bluntly – I didn’t like them and they didn’t like me. I thought about quitting.

You meet a lot of smart people in investment banking. That wasn’t the hard part. The hard part, as I discovered, was that these people – who were so bright and opinionated – thought and talked in a different language than I knew. I think of myself as a right-brained – an intuitive, feeling, creative. These people were left-brainers – deductive, analytical, factual. They have their secretaries sign birthday cards for them.

I thought about quitting. My wife, Lynn, (also an attorney) and I went to our weekend home. We crunched numbers and figured with no life-style change we could make it for 5 years and much longer if we cut back. That’s when I decided I was going to stay. That experience made me appreciate more wisdom from Harry – “Never take a job you can’t afford to quit.”

So I took my right-brained self and began to learn how to communicate in their left-brain world. Soon, I began to feel that I was making progress – and more importantly my team found seats at every table.

This brings me to Nancy’s third and last question, dealing with communications under conditions of maximum uncertainty. How does a company under siege communicate?

Number One: get the bad news out as quickly as possible. Only then can you get out of the bunker and begin to move forward.

Number Two: if you have been found guilty in the court of public opinion, you must apologize – publicly. Lawyers, financial specialists, and other “experts” may tell you that you are legally, technically and practically in the right. Doesn’t matter.

All of you know how JPMorgan Chase, Citigroup, Merrill Lynch, Goldman, and other top Wall Street firms have come under searching investigation and

scathing criticism as a result of Enron and other scandals. Obviously, I am not in position to comment on matters under litigation. But I can tell you that Bill Harrison (Chairman and CEO of JPMC) has been out front and center in responding to the one thought that is on most peoples' minds when they get incensed about Wall Street. It's the thought that we just don't give a damn; that we just take the money ... and run.

Here is what Bill said to shareholders at our annual meeting earlier this year:

“Over the long history of the financial district, there have been times when Wall Street formed too high an opinion of itself ... when it seemed to think it was the most important street in the world. It is not. Wall Street is but an alley off Main Street. Our job is to help Main Street prosper. It is to watch out for and take care of investors and businesses alike. Over the past couple of years, we have seen far more than the usual number of accidents at the intersection of Wall and Main. And we are fully to blame for that. We did not pay close enough attention to what we were doing – and the impact our actions would have on millions of individual investors.”

Point Number Three: Make sure that employees are attuned to what is going on. If there is bad news, let them hear it from you before they read it in the newspapers. We did all kinds of things to keep our employees abreast of the latest developments during the darkest days of the recent past.

And Point Number Four: Wherever possible, don't forget to have some fun. If you are outgunned or in a position of disadvantage, don't be afraid to do the unexpected or the outrageous, because what have you got to lose? Back when I was in the aerospace industry, we came to the Farnborough Air Show in England with no new commercial airplanes orders to brag about and a new commercial airplane that was desperately in need of launch orders. So what did we do? We rented a gigantic blimp, painted the company logo on the side, lit the thing up, and kept it flying day and night for the entire show. At night, you would see Big Ben ... and the blimp, Buckingham Palace ... and the blimp, Hyde Park, and the blimp. We got tons of recognition. And by the way, we got those launch orders.

So those are my observations regarding leadership. I am sure all of you have your own, but these have served me well:

Because, in corporate America, when you act like you belong, because you are not making race an issue, you will feel secure enough to be friendly, without being friends, and you won't be afraid to question the experts and when you have the chance, take the risk, and always remember to check the details, have some fun, you achieve your dreams!

It's been a real honor and pleasure to address you. I welcome any questions or comments that you may have.

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