

# Four Lessons in Board Leadership From the Miracle on the Hudson

## By Kimberly Simpson

It was a frigid 21 degrees on Jan. 15, 2009, when Maryann Bruce left her New York City office for LaGuardia Airport to fly home to Charlotte, North Carolina, for the weekend. She was running late for US Airways Flight 1549, and as Bruce took her seat in 5D, the door closed behind her, with 150 passengers and five crew members on board. She was reading her newspaper when, just minutes after takeoff, she was interrupted by Captain Chesley B. Sullenberger III's now-famous words: "This is the Captain. Brace for impact."

"When the first couple of bangs rang out from the engines, I was startled, certainly, but I thought we'd turn back to land at the airport," Bruce recalled during a recent interview. "I'd been on planes before that had done that due to mechanical issues. It was scary, but these things happened. I remember sitting in front of an off-duty pilot, so I asked him if we were going to make an emergency landing back at LaGuardia Airport. He said yes and seemed calm, cool, and collected about the whole thing. So I followed his lead—and continued reading the newspaper." In reality, the Airbus A320-214 had intercepted a flock of Canada geese, and the engines ingested a number of the large birds, resulting in an almost total loss of thrust. The plane continued to climb for a few seconds, but all efforts to restart the engines ultimately failed.

"There were no oxygen masks. No mass hysteria. Just the putrid smell, like sulfur, of something burning. And an eerie, almost reverent silence," Bruce recalls.

Bruce said she remained calm, counting her many blessings, and reasoning that she would make it through, even as the flight attendants repeatedly shouted, "Head down, stay down." From her seat near the front of the plane, she could not see the damaged engines. "Right before we were about to land, I glanced out the window and saw water. Believe it or not, I was comforted thinking we were near the LaGuardia runway. Next thing I remember, the plane jerked and made impact and we ultimately came to a stop. Within seconds, the flight attendants began yelling, 'Seat cushions and life " jackets. Leave everything else behind. Hurry.' It was when I recalled the usual instructions of 'in the unlikely event of a water landing, please take your seat cushions, etc.' that I realized we were, in fact, in water. Then, after making sure I was in one piece, I grabbed my purse from between my legs—since I knew I needed my cellphone and wallet—and started to exit.

"Since I was so close to the front, I was one of the first 20 or so people off the plane. I slid down the slide into the raft, and we were pulling people from the water into our raft. I remember one of the men took off his jacket and gave it to a passenger that had been in the water. Other people were on the wing of the plane.

"Even after the plane began sinking, shattering my whole 'we'd just land at the airport' theory, I never doubted that I was going to live and see my family. Well, actually, I might have once, maybe twice.

"While sitting in my raft, marveling at how a plane I had boarded less than 45 minutes earlier was now half-submerged in cold water, rescue boats hastened toward the scene, some with an alarming amount of speed. In that moment, I did think how ironic it would be to survive a plane crash, only to be killed by an out-of-control rescue ferry."

Bruce had survived one of the only water landings by an aircraft where all persons aboard survived. Though she was unaware of it until being shepherded into an "injured" line on a rescue ferry, she left the water that day with a cut under her left eye; incredibly, her fellow passengers fared similarly well given the circumstances. While two passengers required an overnight stay at the hospital, most incurred only minor injuries. New York Gov. David Paterson was quoted as saying, "We have had a miracle on 34th Street. I believe we now have a miracle on the Hudson."

This was far from Bruce's first close call with disaster. She descended 33 flights of stairs at the World Trade Center when the building was bombed in 1993. She was flying to Boston on 9/11 and was escorted out of the airport by the National Guard. She was evacuated from a hotel during a tsunami. And she was driving in Los Angeles immediately after 1994 Northridge earthquake, experiencing several aftershocks. But of all these experiences, Bruce looks back to that day in 2009 and finds lessons in leadership that she applies in her roles as an independent director for Amalgamated Bank and a director of the NACD Carolinas Chapter, where she also serves as treasurer.

### LESSON 1 The Right Person at the Helm Can Save the Day

Thankfully, Captain Sullenberger was at the controls that day in 2009. According to US Airways records, he had accumulated 19,663 total flight hours, including 8,930 hours as pilot-in-command. "He flew planes as a crop duster, a glider, a military pilot, and a commercial pilot," said Bruce. "He had a diversity of experience that he could draw on that notable day."

Both diversity of experience and depth of experience are important in a CEO or a board member. "You want people with subject matter expertise that is relevant to the company's operations, but also with a diversity of experience within that area," Bruce said. Board members should be utility players—able to contribute on most topics that arise in the boardroom. "Other specific expertise can be hired or outsourced," she added.

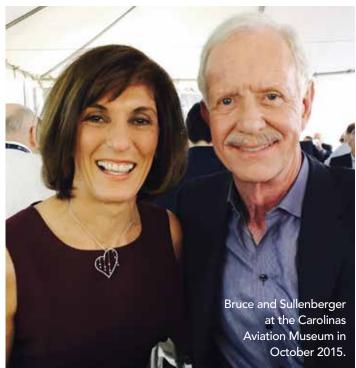
"I live in the moment because our lives are finite. Death is only ever a flock of geese away. And I'm a better person and a more effective director because of the Miracle on the Hudson."

As the chair of NACD Carolinas Chapter's nominating and governance committee, Bruce uses a skills matrix to ensure that the whole board is greater than the sum of its parts, looking at breadth and depth of knowledge and experience, skills, gender, ethnicity, and other characteristics to maximize the board's effectiveness. Having served on the same committee for several other boards, Bruce was typically the only female member, and she successfully pushed for adding additional diverse directors to those boards.

In another instance, Bruce recalled that shortly after joining one company as a director, the board decided to ask the CEO to leave. Before hiring the next one, Bruce suggested that the board spend time on skills requirements, along with both internal and external metrics, to make sure there was alignment on how to hire the next leader and hold him or her accountable. Hiring the right person can ultimately save the day.

### LESSON 2 Have Courage in a Crisis

Sullenberger was faced with a life-or-death decision that day: either attempt to land on the closest runway, which was located in Teterboro, New Jersey, or attempt an incredibly risky water landing. According to Bruce, Sullenberger explained his decision as a calculation of the potential loss of life. That is, he could risk thousands on the ground if he failed to make the Teterboro runway, or he could risk the life of the 155 souls on board, including his own. He made the calculation, opted for the water, and successfully executed the water landing. He stood by his decision at a public hearing held June 9-11, 2009, and federal investigators



validated Sullenberger's decision.

In a crisis situation, a board must have the courage to look at all options, as Sullenberger did. "Discuss all the angles, listen to dissenting voices, then make a decision and stick by it," said Bruce. "And sometimes you have to defend an unpopular position."

On the board of a company that was involved in litigation, Bruce recalls a flashpoint when the board received word that there would be a favorable resolution. As was customary, the board's share allotment was scheduled to be determined shortly before the news became public. "I was concerned that we weren't looking at the bigger picture. Because of what we knew, the stock was likely to rise after the share allotment was determined," she said. "I spoke up, saying we should change the timing of our allotment. It took some discussion, but we decided to change the date of the director share allotment, as we didn't want to give the appearance that we were putting ourselves first."

#### LESSON 3 Put the Corporation Ahead of Yourself

When Sullenberger landed the plane, water began to rush in from an opened back door. Passengers climbed on the wings in the middle of the cabin, and passengers jumped down inflatable slides in the front of the aircraft. Sullenberger continued to walk the cabin. "He made sure everyone got off," said Bruce. "He put everyone on the plane first." He also took life vests to passengers who left the aircraft without one.

The same selflessness that Sullenberger showed that day should be standard operating procedure in boardrooms. Directors have duties prescribed by law, but sometimes selflessness—or lack thereof shows up in ways that might never reach a newspaper or a courtroom.

Bruce recounts an example from her own experience. "I was on the board of a company that had received a ratings downgrade," she said. "The board and management made the difficult decision to shrink the company and the size of the board." Bruce tendered her resignation, as did two others, leaving the committee heads and more tenured board members in place. "They had more experience with the intricacies of the business," she said. "We also knew that if the company was acquired, those board members would be in the best position to step off after the sale."

#### **LESSON 4 Stick to the Script**

After Sullenberger landed the plane, he was naturally the focus of intense media interest. He was required to testify at the requisite National Transportation Safety Board hearing that followed the incident. In these appearances, he stuck to the facts.

In a boardroom situation, a director who is tasked with speaking with external parties—namely, shareholders, proxy firms, or the press—must also stick to the script or risk damage to the company in the form of shareholder dissatisfaction or activism, lawsuits, or reputational damage. Plus, he or she must listen and bring back information that could impact board decision making.

In one instance, Bruce recalled, one of the boards on which she served could tell by the say-on-pay vote that there were concerns about the compensation plan. The company reached out to major shareholders and the proxy firms. The CEO, compensation committee chair, and board chair were tasked with talking with these important stakeholders. The group stuck to the script but also brought the feedback into the boardroom, where some adjustments were later made to the plan.

That day on US Airways Flight 1549, many passengers feared for their lives, but Bruce recalls focusing on her reasons to live. She continues to do so 10 years on. "I live in the moment because our lives are finite. Death is only ever a flock of geese away," she said. "And I'm a better person and a more effective director because of the Miracle on the Hudson. I have always led my life with purpose and passion. Yet it wasn't until 2009, when I was looking at the city skyline from a raft in the middle of the Hudson River, that I realized I was missing the third, and most important, 'P'-perspective. Success and life only have meaning if shared with others. I will forever be grateful to Captain Sully for giving me the opportunity to gain  $\frac{z}{2}$ the proper perspective."