What Mark Zuckerberg Can Learn About Crisis Leadership from Starbucks

Published on April 25, 2018

Starbucks and Facebook present a contrast in crisis leadership, says Bill George. While Starbucks CEO Kevin Johnson stepped up to take responsibility and met with victims, Mark Zuckerberg delayed action and side-stepped responsibility.

Johnson & Johnson CEO Jim Burke’s leadership during the 1982 Tylenol crisis is what we at Harvard Business School teach as the standard for handling a high-stakes public crisis. Now, we have a new exemplar: Starbucks CEO Kevin Johnson.

His response to the eviction of two African American men from a Starbucks store in Philadelphia will define for today’s leaders how to respond to crisis. Facebook founder Mark Zuckerberg, who struggled from repeated missteps in Facebook’s current data privacy crisis, could learn a lot from Johnson.

Let’s examine how Johnson and Zuckerberg measured up against what I have identified as 7 Lessons for Leading in Crisis.

#1: Face reality, starting with yourself. Johnson realized immediately that, as Starbucks’ new CEO, he had to take the lead. He understood the incident’s implications went well beyond the specifics, triggering widespread concerns about racial bias in the country and threatening to damage Starbucks’ image as a safe, friendly place to gather with friends or work alone. In contrast, Zuckerberg characterized Facebook’s issue as a political problem and tried to shift the blame to Cambridge Analytica’s bad actors for...
that Facebook users want privacy for their personal information.

#2: Use your teammates. Johnson had the full support of founder Howard Schultz and his team in Philadelphia. Zuckerberg did not seem to rely upon the wisdom of Chief Operating Officer Sheryl Sandberg or lead board director Susan Desmond-Hellmann. Instead, he trotted out his deputy legal counsel at a town hall meeting for all Facebook employees after four days, sending the message that he thought this was a legal problem rather than an issue of consumer trust.

“JOHNSON’S ACTIONS WILL BECOME THE NEW MODEL FOR HOW A CRISIS SHOULD BE HANDLED”

#3: Dig deep for the root cause. Johnson perceived that not all his employees understood the deeper issues of racial bias, so he announced on the second day that Starbucks would close 8,000 stores on May 29 to train all 175,000 US employees about unconscious bias. Zuckerberg failed to acknowledge that the root cause of the data privacy scandal was its model of allowing developers to build their applications around user preferences—without explicit permission from the users themselves. (Zuckerberg says this is not the same as selling user information. You be the judge.)

#4: Get ready for the long haul. Johnson’s planned training sessions demonstrated his commitment to ensure all employees are dedicated to making its stores safe, friendly, and welcoming for everyone. Zuckerberg said that he had known about the Cambridge Analytica problems since 2015 but wouldn’t acknowledge he had failed to correct them. Nor has he announced plans to do so now. This issue will plague Facebook for years before trust can rebuilt with users.

#5: Never waste a good crisis. By immediately flying to Philadelphia and personally apologizing to the two victims, Johnson enabled them to become spokespeople for the broader issue of racial bias and neutralized protesters gathered outside Starbucks. Zuckerberg wasted his opportunity to address data privacy issues; instead, he is inviting government regulators to do it for him. As a result, Facebook’s employees lack direction for using this crisis to rebuild confidence with 2 billion users.

#6: You’re in the spotlight: Follow True North. Starbucks’ Johnson jumped into the spotlight the next day by apologizing for his employees’ handling of the incident and announcing plans for a companywide “lessons learned” meeting and training programs. He affirmed Starbucks’ True North, stating, “The video shot by customers is very hard to watch, and the actions in it are not representative of our Starbucks mission and values.” In contrast, Zuckerberg ducked the spotlight for five days and even then tried to shift the argument away from data privacy. In terms of public support, this tactic backfired because he undermined Facebook’s mission “to build community and bring
Facebook should be regulated, with 88 percent favoring requiring an opt-in feature before personal data can be used.

**#7: Go on offense, focus on winning now.** Kevin Johnson seized upon the incident to clarify Starbucks’ desire to overcome racial bias and encourage acceptance and integration. Johnson will benefit from engaging all of his employees in discussions about serving customers well and using the company to make a positive difference in its communities. Meanwhile, Zuckerberg remains on the defensive about Facebook’s policies rather than offering clear solutions. One possibility: a premium site for those who want to protect all their information. In the meantime, users may shift to competing social media sites.

**The greatest test of leadership**

When a crisis erupts, the CEO’s actions and attitude in the first 24 to 48 hours sets the tone for the organization’s response. In Johnson’s case, this meant making a clear statement apologizing and accepting responsibility, going to the scene of the incident, and meeting personally with people effected. Facebook’s Zuckerberg did none of these things. After those first days, the moment had passed and other voices were crowding out his company’s messages.

Leading in crisis is the real test for leaders. Zuckerberg failed his big test and will struggle to recover. Johnson has rebuilt goodwill with Starbucks customers and the general public, and has given clear direction to employees about what the company stands for. That will serve Starbucks well for years to come.

143 comments

Sign in to leave your comment

Tarek Chamma
Customer Experience Professional - Discover so much more..
Great article
Like  Reply

Mari-anne Houghton
General Manager Education Services at The Royal Australasian College of Physicians

...