

Leadership in a Pandemic

Covid19 has already had an unprecedented socio-economic impact the likes of which the world has not seen in our generation.

Global stock markets and oil prices have seen huge falls and there has been a dramatic increase in unemployment. Manufacturing industry has been particularly impacted. In China, industrial production fell by 13.5% in January and February this year. Nowhere is this more evident than in the automotive sector, where Chinese car sales fell by 86% in February.

The spread of Covid19 has also resulted in an unprecedented decline in global air traffic. On the 28th March the total number of flights was 69,508, down from an average of 176,000 per day in March 2019. The airline, travel and hospitality sectors have been hugely affected as airlines have grounded their fleets, travel companies have had to reimburse customers for planned holidays and all restaurants, bars, pubs and hotels have been forced to adapt or close.

The overall impact on the global economy will not be known for a few months but the OECD has forecast that economic growth will fall to 2.4%, although Goldman Sachs has suggested a figure closer to net 0 for 2020.

Consumers have dramatically changed their shopping habits. A combination of remote working, government enforced self-isolation and stockpiling of necessities in many communities has led to reduced availability for many products in supermarkets and some commodity prices have soared.

Governments have reacted with unprecedented levels of economic support as well as restrictions on travel and school closures. Large corporations, SME's, local government and charities are all faced with significant challenges: from meeting the immediate operational impact of remote working; to understanding the commercial impact as orders reduce; to determining whether the longer-term strategic plans are still relevant.

In the face of such unprecedented global shock, how should leaders of these organisations respond?

The Financial Crisis is the nearest equivalent crisis for most leaders in their working lifetime. How do leaders draw on experience and advice to ensure they are steering their organisation through the current crisis?

As specialists in Leadership Advisory, we are uniquely placed to listen to the concerns of CEO's, Board Members and leadership teams across multiple sectors and provide guidance for leaders faced with these challenges.

1. Be compassionate

The first reaction from staff and colleagues is often one of fear. We have seen a range of concerns from fear for their safety or that of their family members, to fear of losing their job, fear of change or fear of isolation.

There is usually extreme pressure on a leader during a crisis to balance the competing demands of operational instability, financial detriment with the fears and demands of employees. It is perfectly normal for the leader to focus on the first two, however the third should be given precedent.

Demonstrating empathy and understanding will reassure staff. Responding authentically, sensitively and quickly will inspire teams to react positively and productively.

For many firms, this may be the first time that contingency plans have been mobilised on such a scale, impacting all operational processes and every employee. How the organisation responds often reflects the organisation's culture and operational resilience. Professor Cameron (Buck) Rogers of Gloucester University is a leading expert on Resilience (having also held senior Resilience positions at the Bank of England and HSBC). He spoke to us about one of his inspiration's;

"I am a great fan of the leadership skills of Ernest Shackleton, his pure determination in keeping his men alive was achieved through a balance of robust leadership and a deep sense of care for the people in his charge. His true genius was his ability to flex his approach depending on the person he was dealing with, in an era where that was a novel approach, and different to his peers (Scott). I believe this is the approach we will have to adopt in the current crisis, as we get into the rhythm of pro-longed separation from our teams and face to face contacts, our skill in being able to flex as leaders will be key differentiator between true leadership and people management. Some of our team members will need a reassuring arm round the shoulder, others clear written direction with frequent check in's and some even robust frank conversations to keep them focused. If you love leadership, now is the perfect time to excel, challenge the norm and find new skills. As Shackleton said, 'If you're a leader, a fellow that other fellows look to, you've got to keep going'."

2. Lead from the Front

Leaders must be visible and seen to be leading from the front, engendering the values and behaviours which they expect from the entire organisation. The leader must provide strategic direction and purpose, reassurance on the strategic vision and culture and prioritisation of objectives. Ensure the strategic plan is clearly communicated to teams; the right culture exists to empower managers to make decisions; and the organisation's vision remains consistent with the changing priorities.

Lord Richard Dannatt, GCB, CBE, MC, DL is a strong advocate of leading from the front. A retired British Army Officer and former Chief of the General Staff, he is currently Chairman of the National Emergencies Trust (NET), the disaster emergency charity responsible for raising and distributing money and supporting victims in times of domestic disaster.

"For me, there are three critical leadership functions that the boss has got to get right. First, he or she needs to have thought about the problem or challenge in some detail, work out the broad strategy to follow and then set out a Statement of Intent, to be seen by all in the enterprise, so that they have got the big picture and the framework of the strategy. Second, comes the sensible delegation of tasks to those who can be trusted to get on in their own areas within the Statement of Intent. And third, which is where it can go wrong, is that the leader must then supervise appropriately. A light touch needed for a very competent subordinate, mentoring for one who is new, young and with potential, and removal of someone who is never going to "get it"! And lastly, the leader must always remember that while delegating tasks responsibly is normal business, delegating responsibility never happens. The buck always stops with the boss."

No one epitomised leading from the front more than Nelson Mandela. To Mandela leading from the front meant many things: it meant demonstrable courage in the face of adversity; it meant taking responsibility and being accountable; it also meant seizing the initiative; or standing up for what is right; however it also meant being measured and doing things that didn't attract attention. Eddie Daniels was a prisoner on Robben Island with Mandela and describes Mandela in Richard Stengel's 'Mandela's Way', "This was the beauty of Nelson. Just the way he walked. The way he carried

himself. It lifted up the other prisoners. It lifted me up. Just to see him walk confidently... Simply in the way Mandela walked he was leading from the front".

3. Empower your teams and lead from the back

As well as leading from the front, during a crisis like the current Pandemic, leaders must also lead from behind. Instinctively most leaders try to exert greater control, putting themselves at the centre. This should be avoided because in a crisis there are usually hundreds of small decisions that need to be taken quickly. Empower managers to make these decisions; devolving tactical decisions to your teams and relying on your network of managers to make decisions on the ground.

We have seen this successfully deployed on a national and local level during the current pandemic. On a national level, The National Emergencies Trust (NET) has seen its role and headcount expand exponentially in the last four weeks. The number of managers and volunteers working for the charity has grown by 3000%; all of whom are committing their time on a pro-bono basis.

On a local level, the Brockham Emergency response Team (BERT), a local volunteer community resilience group in Surrey is doing the same. Like hundreds of similar organisations across the country it has taken on a critical role providing assistance during the Coronavirus pandemic. Bob Thomas, Chairman of the Charity highlights:

"the usual MO is to operate in fairly slow time, even in flood situations. However, as the Coronavirus peril developed and threatened the UK, the leadership team was brought together with many other community organisations and a contingency plan developed. This meant a rapid adjusted command structure of Gold, Silver and Bronze; giving autonomy to decision-making leads to ensure all effort is useful, swift, on-point and appropriate. Most importantly, being ready to admit if we "got it wrong" and change decision!"

Both examples highlight that rapid mobilisation of an organisational structure is achievable by empowering managers with delegated authority. Nelson Mandela was another strong advocate of leading from the back. Richard Stengel articulates "This is what Mandela means by leading from behind. A good leader does not grandly state his opinion and command others to follow him. He listens, he summarises and then he seeks to mould opinion and steer people towards an action."

4. Establish a situation-room and concentrate on the big strategic decisions

As we have highlighted, there will be few leaders who have experienced disruption on this scale. Therefore, a leader must surround themselves with specialist advisors and managers who can respond in a crisis. In everyday operations, leaders rely on a small group of trusted people, whilst in a crisis it is better to expand the communications hub to include Board members / Trustees, management teams, key stakeholders and additional experts. These may be interim advisors providing specialist technical knowledge and expertise, or trouble shooters with experience of crisis management.

This will mean expanding the direct group that you usually rely on, although not all these people may be involved in final decisions. Decide who you want to be involved in decisions and from whom you seek advice only. Be clear on your expectations with this group. Most critically, concentrate on solving the big strategic decisions, leaving tactical decision to key lieutenants. You must enable the organisation to make good decisions, fast!

Prepare for the worst-case scenario and keep regular tabs on your plans to enact these contingencies if required. If there is substantial revenue decline, be prepared to take the tough

decision early to help protect the business and employees. You should be prepared to stabilise operations and protect against revenue decline, take cost cutting measures or be prepared to launch a bold ambitious new strategy to arrest decline, increase productivity or establish a new operating model.

5. Communicate, Communicate, Communicate

The quality and consistency of communication is critical in the face of such an overwhelming change from normal operations. Events can move very quickly, and leaders may have to adjust messages day by day. In these circumstances, a perfect communication plan is rarely possible. Concentrate instead on providing authentic, consistent and flexible communications which update Board members, investors and colleagues regularly. Don't be afraid of displaying vulnerability as you will not have all the answers; you are more likely to build trust if the communication is honest and authentic and based on current understanding.

People thrive on social interaction. During periods of lock down and quarantine, it will be very important that colleagues stay connected. With current physical distancing, how do firms provide the usual informal social interactions which generate creativity and the formation of ideas so critical during a period of intense change and transition? As one executive recently commented, "how do firms replicate the watercooler conversation and other informal interactions essential to everyday operations?"

Communication is critical as many organisations engage a workforce adjusting to remote working. Dynamically prioritise, using the most effective technologies and tools to communicate each message, using the full spectrum of tools available to you. Regular interactions with management through video conferencing facilities such as zoom or skype will help to provide structure in regular management meetings but may not be appropriate for all interactions. A video-conference meeting may not be an efficient way to engage hundreds of staff, whereas regular bite-sized podcasts are a great way to communicate key messages, strategic updates or to reaffirm vision and values, especially when clarity of vision and purpose during a crisis is so important.

For many global organisations, video conferencing will be well integrated into operational process and culture. For small-mid cap firms, which may have traditionally relied on face to face meetings, this change may be more pronounced and require greater agility and sensitivity to embed successfully. C Hoare & Co is the UK's oldest bank. The Bank's longevity is a testament to its ability to weather storms. At a time of uncertainty CEO, Steven Cooper, places importance on communication, personally reaching out and reassuring candidates who are in process to join the Bank. This personable approach makes a powerful impression, reassuring and engaging future leaders.

6. Be Agile and innovate, with a moral purpose

In a crisis, leaders need to move quickly with pace and agility to reassure employees, board members and investors. However, you should also not be afraid to pause for breath. Take a few moments to consider the latest information in order to respond in a measured and thoughtful way.

Then, take action! Engage teams and empower them to innovate creatively. Once major workstreams have been put into action; use Agile methodologies to ensure regular feedback and refinement.

Many firms have been seen orders reduce and revenue decline over the last couple of months. Many leaders have responded positively to innovatively pivot their organisations to meet the crisis head on

with moral purpose. Sir James Dyson, billionaire inventor of many household appliances, started experiencing supply chain challenges several weeks ago when he called the Coronavirus “the worst crisis in living memory”. His firm, Dyson Ltd have now responded to a request from Boris Johnson, by designing a new ventilator to meet the urgent medical shortfall. The ventilator, named ‘CoVent’ was designed in 10 days, and is awaiting regulatory approval before going into production. Dyson said, “The core challenge was how to design and deliver a new, sophisticated medical product in volume and in an extremely short space of time... The race is now on to get it into production.” Dyson is aiming to produce 15,000 ventilators, 10,000 to go to the UK Government and 5,000 to other International markets.

Staying true to your organisational values during a crisis is especially important. For the Bateman Collins Group, one of our core values is to act as a ‘force for good’. This has meant a commitment to our customers and associates to leave things in a better state than we found them! However, this has newfound purpose during the Coronavirus Pandemic as the entire organisation has found additional purpose and reward in supporting firms and charities by introducing leaders into much needed critical leadership roles and volunteering for charities on the ground.

Prior to the Coronavirus there was an increasing movement that authentic leadership requires moral purpose. The desire for ethical products is becoming more popular with consumers and reflecting the increasing focus on sustainability within firms. The Coronavirus brings this into sharp focus, as firms with moral purpose engage customers and employees, innovate and increase profitability.

Legacy

This leaves us with one big question: will the world be transformed by the Coronavirus Pandemic? We argue that it will and transform for the better.

A global crisis of this magnitude reinforces the interdependencies of contemporary global economics. It gives us a moment to reflect, to deconstruct standard working practices and to consider better, more efficient, more robust and ethical ways of working. For example, pollution levels have fallen significantly during the crisis. Will the end of the pandemic transform global business travel, reducing carbon emissions and air pollution for the long term?

By the time we return to our offices, we will all have established new working practices as well as demonstrating the viability of remote operational processes. Many families have had to broaden their responsibilities to include children’s home schooling, charity work, and supporting the vulnerable in their communities. The crisis will no doubt accelerate progressive, inclusive working practices such as home and flexible working. All organisations, even those resistant to change have had to embrace more flexible working practices and other accessibilities issues in a way never imagined before.

A crisis like the Coronavirus pandemic also brings into sharp focus the competencies, attitude, behaviours and mindset required of an effective leader during a global crisis. Leaders must harness the positive, whilst managing or reducing negative forces. At Bateman Collins we continue to search for the new generation of leaders. Our mission to introduce future leaders to progressive organisations remains unchanged but the environment in which they will operate has changed markedly. From the human tragedy of the Coronavirus will emerge a new generation of business leaders, possessing the authenticity, empathy, agility and moral purpose to be the leaders of tomorrow.

Barney Collins, Founding Partner