



Now what? Finding the light at the end of the Covid-19 tunnel

Adaptation strategies for leaders

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You – and your teams – rose to the challenge of crisis response, and your organizations have arrived at a new steady state. But now that the initial wave of blocking and tackling is complete, how can you sustain the energy and focus you'll need for the long haul?

Now what? Adaptation strategies for finding the light at the end of the Covid-19 tunnel

On March 11, 2020, the World Health Organization designated Covid-19 a pandemic – and for many of us, that date already feels like a lifetime ago. Over the last several months, business leaders have been in firefighting mode. They've shored up financial capacity and triaged operations. They've ratcheted up communications to their teams and worked to support their customers and stabilize their supply chains. But nobody can stay in crisis response mode for the long-term, and as the initial sprint comes to an end, it's starting to sink in that the marathon has just begun.

In our collective experience advising CEOs, boards, and investors, we've found that the most successful leaders do three things well: they have the right Priorities, the right people (Who), and the right Relationships to achieve results – taken together, we call this running at Full Power (PWR). Each of these levers, however, can mean different things in a crisis than when figuring out how to adapt for the longer haul. Below are suggestions for how CEOs and other senior leaders can keep themselves and their teams energized and focused on the light at the end of the tunnel.

Priorities: from emergency blocking and tackling to redefining the long-term vision

As Covid-19's spread accelerated, we urged leaders to identify and explicitly communicate their 3-5 most important priorities and to refine their playbooks for tackling new realities. Now that your teams know how to move forward, the next step is to make sure they know the why of moving forward. What are you working toward? And what will take the place of derailed objectives and milestones – the postponed or canceled strategic initiatives, product launches, deals, conferences, and other “hooks” that provide focal points and create a sense of anticipation?

This is about more than adding Zoom happy hours to the calendar (though we're all for virtual events that facilitate communication and community). It's about redefining what the future might look like and your purpose within it while striking the right balance between optimism and realism. Too much optimism can backfire if it ends in disappointment, and empty cheerleading ultimately reduces your credibility. But too much realism can backfire as well. An overly bleak outlook can drain morale and increase the emotional distance between you and your team, compounding the physical distance you're already experiencing.

One of our clients, a Fortune 200 CFO, has been learning how to walk this line in real time. In March, he acted quickly to update downside scenarios, to help the CEO scope and get out ahead of emerging risks. His team was energized by this hands-on opportunity to shape the company's response to the crisis. As March gave way to April, though, team members grew frustrated and detached – a natural reaction to weeks of immersing themselves in imagining the worst that could happen. The CFO asked them to broaden their analysis, to encompass how the business could move from defense to offense going forward. Setting their sights on the horizon and how to capture potential upside led to an observable uptick in motivation levels.

In our current environment, balancing optimism and realism means accepting the negative impact of the pandemic while simultaneously embracing the knowledge that we will eventually emerge on the other side – and offering a positive but pragmatic vision for what we'll find when we get there. Rather than making overly rosy promises or trying to stake out a definitive position on shaky terrain, present the reasonable range of how events might play

Adapting Priorities: some questions to ask

- Do the assumptions underlying our purpose, vision, and strategy still hold true? Do we need to course correct (or change direction altogether)? What are the implications for what should - and what should not - be a priority going forward?
- What are we learning about our strengths and vulnerabilities as an organization? What are the capabilities we should preserve and build on? What's been exposed as an area of weakness, and how should we address it?

out based on the available data and what's within your control. A tempered approach sustains focus and dedication without instilling false hope.

Who: adapting from team-level leadership to meeting people where they are

In recent weeks, leaders scrambled to ensure their teams have the resources and capabilities to work remotely. Many of you also had to make the difficult decision to furlough or lay off employees. You're now starting to feel like you have the right people in the right seats to operate in this new normal. But while you may be ready to charge full steam ahead, it would be a mistake to assume everyone feels the same way – this is not a one-size-fits-all situation.

We recently spoke with a CEO who told us how pleased he was that his team hadn't skipped a beat in productivity as it moved to working remotely. However, he hadn't given any thought to how his team members were doing at the individual level – and when he did, he found that not skipping a beat could come at a cost.

Adapting Who: some questions to ask

- What messages am I sending to my team regarding what I care about? Am I sacrificing long-term performance for near-term productivity?
- What am I learning about the strengths and development areas of my individual team members? Who's adapting well and why? Who's struggling and why?
- What are the implications for who should be in a given seat in the near term and for succession planning longer term?

Chances are that each person on your team is experiencing a very different set of circumstances, both physically and psychologically. Some may have children or elderly parents at home who require significantly more attention than previously. Some may be coping with sick family or friends or even the death of a loved one. Meanwhile, not everyone is comfortable opening up about what he or she is experiencing. Some may feel they need to keep up appearances and worry that any sign of struggle or reduced output could lead to losing a job. Left unaddressed, these individual-level challenges are likely to compromise team performance over time.

Engaging with your team members as individuals – for example, through one-on-ones or smaller group meetings – will build your understanding of their specific situations and allow you to offer more customized support (e.g., by flexing their working hours). For example, the CEO mentioned above had children at home, but they were in high school and relatively independent. Only after speaking to employees did he realize that those with younger children were shouldering an extra burden, and he dramatically increased childcare benefits as a result.

One strategy for inviting openness is to acknowledge your own limits and demonstrate vulnerability. For example, “I know I’m having a hard time juggling work with everything going on at home, and I’m guessing you are, too. I need you to be extra assertive in telling me how you’re doing, so I can make sure you have the help you need.” You’ll need to create

psychological safety as well, so people don't feel that they'll be marginalized or punished for raising concerns or explaining their needs. Another CEO we know has asked members of his senior team to create two-minute videos about their personal experiences and "stay sane" tips as a way to help their colleagues understand that they're not alone in facing challenges. You can also reframe challenges as learning problems rather than execution problems (e.g., "We can't predict the future so we're all going to have to learn as we go.").

By inviting team members to speak up and making it safe for them to do so, you'll not only help them more effectively navigate their unique circumstances, you are likely to improve outcomes down the line. It may seem counter-intuitive, but sacrificing some productivity in the near term can help build the trust you need to drive accountability in a virtual environment. You're also signaling that being on your team is about more than just productivity. How you treat people now will pay dividends in terms of increased commitment, ultimately improving your ability to recruit and retain talent over the longer term.

Relationships: adapting from all hands on deck to sustainable rhythms and more expansive touchpoints

Doubling down on communication and coordination can be critical in a crisis – particularly in a virtual environment – and many leaders have dramatically increased the frequency of meetings and check-ins. What's vitally necessary in an emergency, however, may become burdensome or even counter-productive in a more steady-state context.

If daily briefings on the crisis have morphed into routine business updates, then they might not need to take place daily. You may also want to shift the format of communications as well as their cadence. The all-hands that rallied the troops during the first wave of response may give way to a mix of town halls and podcasts to inspire steady confidence in the longer term. Take a critical lens to communications and understand when less is more.

A senior leader at a large hedge fund client, for example, initially insisted on layering on additional meetings as a way to stay on top of her team's progress while boosting morale. After a few weeks, though, she realized that she was inadvertently adding to team members' stress by not leaving them the time they needed to get their work done. Reducing the frequency of her full-team sessions and shortening the durations of her one-on-ones made it easier for them to maintain momentum.

Adapting Relationships: some questions to ask

- How aligned is my team around our priorities? Is everyone rowing in the same direction?
- Does everyone have the information he/she needs, and how are we tracking progress?
- Are team members invested in each other's success? Which relationships need help?
- What other connections should I be making? Who else should I be tapping into for expertise and advice?

As you transition from being narrowly focused on immediate challenges, you'll also want to consider broadening your scope of communication. We've heard from clients that they are reaching out laterally to access more talent and expertise. Several of our private equity clients have instituted weekly discussions for CEOs and functional leaders across their portfolios, so that they can better share resources and support each other through the pandemic. Other leaders are reconnecting with their professional networks to understand best practices and tap into fresh thinking. By expanding their touchpoints, they're also improving their access to information that can help them anticipate whatever the future holds.

Putting it all in perspective

We're only beginning to get our heads around the potential long-term impact of the pandemic, but the good news is the steps you're taking now to adapt to the new normal can lead to lasting innovation. We've also found that as people become more comfortable with uncertainty, they begin letting go of assumptions and concerns that previously constrained their view of what's possible, allowing them to surface new opportunities. We're learning along the way, which is its own light at the end of the tunnel.