
Six COVID-era Leadership Imperatives

Few senior leaders have faced a challenge in their career as severe and potentially consequential as the Coronavirus pandemic and its global impact. Leaders who often rely on pattern recognition and past experience are finding that today's issues have no historical comparison. This period is a truly novel test of their leadership ability – and no one has any idea how long it will last, or how it will end.

A lot is being written about how leaders should operate during the crisis, but relatively little has been written about the upcoming challenge of leading through the transition back – back to the office or factory, back to full productivity, back to an open economy, back to whatever comes after this period of social distancing and related efforts.

A Myriad of Challenges and Opportunities

As leaders work to get their businesses and workforces back up and running, they are faced with a myriad of challenges and opportunities:

- 
1

The health and economic impacts of the Coronavirus pandemic will be continuous, non-linear, global, and multivariate in nature.
- 
2

Because of companies accepting bailouts or other forms of state support, governments will play an increasing role in corporations, impacting everything from compensation to customer engagement.
- 
3

Even after society starts to rebuild, there will be generalized anxiety about the prospects of another seemingly unforeseeable crisis.
- 
4

Organizations with strong balance sheets, excellent cost management, and effective cash flow will likely not only survive, but thrive. Weaker organizations and small businesses may fail.
- 
5

Investments and acquisitions will eventually be at a bargain. Strong organizations will get stronger and larger. There will be changes in business ownership. Intellectual property will change hands. Private ownership in business may increase. All of this will accelerate in an effort to keep individual organizations solvent and operational.
- 
6






Some business models will change completely, including those that rely solely on just-in-time operations, thin supply chains, and parts of our economy that will face long-lasting change, including retail and travel.
- 
7

There will be questions around being global versus being local, and manufacturing of essential products will depend less on foreign partnerships that can easily fail during worldwide crises.
- 
8

The crisis accelerates transformation efforts around digital and other fundamental transformations, and in some cases will be the catalyst for changes that leaders had long put off or pushed back against.

A Novel Virus Leads to Novel Leadership Challenges

In addition to the aforementioned societal, economic, and business model dynamics, leaders will have to take on new workforce engagement, safety and productivity challenges, among them:

-  Work might return to “normal” long before employee’s home lives do. Leaders will be focused on increasing productivity and performance, and expecting that employees are fully “here” when working. But the reality is that many workers are exhausted, dealing with lingering care issues (themselves or others) and will be trying to balance family and personal concerns at a level far above what was normal pre-pandemic.
-  After the last few months, it is quite likely that in many organizations, the leaders will no longer engender confidence in their workers. A company that was rated the Best Company to Work For furloughed 200,000 workers three weeks later. Leaders who said their employees were like family just laid people off. Well-paying jobs faced pay cuts. Leaders will need to rebuild trust in their workers, and show that they have learned from the experience.
-  Employees will need to switch from a mindset of “whatever it takes to survive” to one that is more focused on strategy and long-term goals. Survival in a crisis often involves taking customers wherever you can find them, but post the immediate crisis the company needs to return to its strategy.
-  As leaders look around, they may see competitors taking action that is more aggressive than they think prudent – frequent business travel, face-to-face meetings with clients, or similar. Leaders will feel pressure to not lose out to competitors, but must balance that with taking prudent measures to protect employees and the company. Offering long-term remote work arrangements may make employees feel safer, but comes at the risk of organizational culture disintegration.
-  For years, leaders have been able to use certain assumptions in their planning – that supply chains are available, manufacturing can take place, retail operates, small businesses and suppliers exist, etc. – that we have learned is not always true. Business models, financial plans, strategies are all based on a set of assumptions that now need to be reassessed and revised, potentially with dramatic impacts to the business.

The significant challenge to leaders in all of these situations is to figure out a path forward when most leaders have never experienced anything similar before.

What Matters Most

In normal times, the themes of organizational leadership, people leadership, and self-leadership are equally important. These are not normal times. While behaviors associated with organizational leadership – financial and operating “sharpness” and forced digital acceleration – have shifted into focus, behaviors associated with self-leadership have become the critical enablers of success. As executives focus on making fast decisions they cannot let their biases and other follies become critical derailers in stressful situations. Moreover, the ability to move against short-term issues requires a level of employee engagement that goes above and beyond – empathetic and purpose-driven leadership will be loadbearing in the times to come.

During this challenging period, there are six core behaviors that leaders should focus on and look for in their leadership teams:

1

BRAVERY:

Executives need to be **brave** in thinking independently and making very difficult decisions. They know they are not bystanders to what is happening right now, but active participants. They need a sense of **self-efficacy**, or feeling of agency, with a mindset that they can act and make decisions that will improve outcomes. With these in place, they will need to be **resilient**, and able to withstand and work through the problems they face, and the resulting public scrutiny around their decisions.

2

AUTHENTICITY AND EMPATHY:

Executives must **display authenticity and empathy** in all that they do, and be a context-sensing communicator who is close to “perfect pitch” in their communications with different audience and in varying situations. In challenging times, the ability to show openness and vulnerability is critical for a leader to build rapport with others.

3

PURPOSE-DRIVEN:

Leaders must be able to connect the organization to societal **purpose** and explain the “reason for being” for the organization. This source of belonging, engagement, and motivation are very important overall, but especially critical while emerging from a period of crisis. Executive must be able to create a shared narrative to guide and galvanize people around strategy.

4

OFFENSIVE AND DEFENSIVE AGILITY:

Executives need to think differently about the opportunities and challenges they are facing. They need to know how and when to deploy **both an “offensive” and “defensive” mindset**, and the approach issues **systematically and while thinking across multiple horizons**. What are the impacts now and in the future to the decisions we make today? They get there by being **inclusive** in how they create and harvest disparate perspectives, and they execute cleanly by **managing the pace** of their teams, their decision cycles, and their operations.

5

FINANCIAL AND OPERATING “SHARPNESS”:

Executives need a strong level of **financial and operating “sharpness”** to navigate the inevitable financial and economic challenges the organization will face. As part of this, executives need to develop a strategy that is grounded in a strong understanding of operations and what is possible to achieve given resources and circumstances.

6

FORCED DIGITAL ACCELERATION:

Executives must embrace **digital** tools and practices now, even if they were hesitant about them before. From innovation to remote work, digital is now critical to leader’s goals, but they must also be wide-eyed about the associated challenges and threats that come from a reliance on technology.

Leadership Scorecard: Assessing What Matters Most

BRAVERY

Weak

Strong

Bravery



Resilience



AUTHENTICITY AND EMPATHY

Weak

Strong

Authenticity



Empathy



PURPOSE-DRIVEN

Weak

Strong

Purpose-Driven



OFFENSIVE AND DEFENSIVE AGILITY

Weak

Strong

Thinks Offensively



Thinks Defensively



Systems Thinker



Near- and Long-Term Thinker



Inclusive



Sets the Pace



FINANCIAL AND OPERATIONAL "SHARPNESS"

Weak

Strong

Financial Sharpness



Operational Sharpness



FORCED DIGITAL ACCELERATION

Weak

Strong

Digitally-Minded



AUTHORS

PJ NEAL leads the Center for Leadership Insight at Russell Reynolds Associates. He is based in Boston.

DEAN STAMOULIS is a senior member of Russell Reynolds Associates' Board and CEO Advisory Partners. He is based in Atlanta.

About Russell Reynolds Associates

Russell Reynolds Associates is a global leadership advisory and search firm. Our 470+ consultants in 46 offices work with public, private and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic and political trends that are reshaping the global business environment. From helping boards with their structure, culture and effectiveness to identifying, assessing and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues. We exist to improve the way the world is led.

www.russellreynolds.com



GLOBAL OFFICES

Americas

- Atlanta
- Boston
- Buenos Aires
- Calgary
- Chicago
- Dallas
- Houston
- Los Angeles
- Mexico City
- Miami
- Minneapolis/St. Paul
- Montréal
- New York
- Palo Alto
- San Francisco
- São Paulo
- Stamford
- Toronto
- Washington, D.C.

EMEA

- Amsterdam
- Barcelona
- Brussels
- Copenhagen
- Dubai
- Frankfurt
- Hamburg
- Helsinki
- Istanbul
- London
- Madrid
- Milan
- Munich
- Oslo
- Paris
- Stockholm
- Warsaw
- Zürich

Asia /Pacific

- Beijing
- Hong Kong
- Melbourne
- Mumbai
- New Delhi
- Shanghai
- Singapore
- Sydney
- Tokyo