

27 Jul 2021 - **Professor Veronica Hope Hailey**

Leadership through COVID-19 – how has the pandemic changed leadership for the future?

A recap of senior leaders' responses to the pandemic in 2020 prompts thinking about the leadership challenges in 2021

The 2020 CIPD report *Responsible business through crisis: senior leaders on trust and resilience during COVID-19* described how senior executives were meeting the challenge of remaining 'responsible' while responding to the pandemic. The stories they told were inspiring and painted an encouraging picture of leadership behaviour. In 2021 we are revisiting the extraordinary developments in leadership practice, to consider the leadership challenges arising. If organisations are to tackle these successfully, HR functions and senior teams must continue the strong partnerships they created during 2020.

Leading through the unknown

'My life feels like a test I didn't study for'

In 2020 leaders had to make quick decisions, with little data, algorithms or business continuity exercises available for COVID-19. As one CEO told us, *'it was like leading in a fog'*. Senior leaders had to rely on their and others' judgement, wisdom and integrity. An established approach to responsible business, embedded through organisational purpose, values and trust, provided a 'north star' for leaders' decision making. It helped them to consider their whole ecosystem.

Leaders also became more reliant on listening to others for new intelligence. Knowledge

was shared more freely within the boardroom, but also came from new sources – drawn from all levels within and outside the business. There was no room for superheroes. Leading as a team – pooling experience, information and ideas – was essential for top teams. IPDs (Individual Prima Donnas) were out, and TPs (Team Players) were in!

The invisible became visible. Senior leaders became accessible through video and in a form and frequency never seen before. Employees saw senior leaders in their own homes, managing their own anxieties, illnesses and care for their families. The same senior teams that a year previously might have seemed obsessed solely with shareholder returns or excessive monitoring of workforces suddenly had permission to be their authentic selves. They were revealed as humane, compassionate and empathetic. Senior leaders felt uncertainty and shock themselves, yet had to provide reassurance to their workforces.

Social injustice

'All hands should be on deck' – Christine Lagarde

The pandemic exposed the pre-existing social inequalities within society, for senior leaders to see and ignore at their peril. As one leader said, *'We are all in the same storm but we are in very different boats.'*

Inequality of risk was clear: while some were forced to work from home, others provided services on the frontline. Others were furloughed, lost jobs or took pay cuts. For some, working at home was unsuitable or unsafe, especially young employees. Some people do not feel safe at home. Those taking the greatest risks were often those who were taking home the smallest rewards. In the short term, senior executives rebalanced rewards across their workforces, using bonuses for some, pay cuts for others. Some were paying suppliers early to ensure small businesses did not fail. Others deferred paying shareholder dividends.

Structural inequalities became more apparent, with an upsurge of responses against systemic social injustices. Leaders reported feeling a raw sense of deep social inequalities, such as those raised by Black Lives Matter, that had existed long before but had been fanned aflame in the pandemic. One CEO said, *'It caught me unawares. I hadn't appreciated the emotions it had stirred up. I was out of my depth... It has opened my eyes and changed my thinking.'*

Responsible leaders did not respond with instant 'knee jerk' responses but gave thoughtful consideration to righting the embedded severity of the problem.

Interconnectedness

Through 2020 it became clear just how interdependent society is. Government action and provision of essential services depended upon business; large businesses depended upon small ones; charities needed everyone's support to protect the vulnerable. In battling the pandemic together, we saw businesses lean in to support health services, food retailing and production, schools and other forms of education. They found new connections with their communities, and their employees' communities.

Decentralisation happened quickly. Senior executives empowered local operations to make decisions at pace, to keep services operating. There was no time for decisions to be sent up for sanction by executive boards. Rapid decentralisation meant leaders had to learn to trust people at lower levels, with the delightful discovery of some impressive 'pop up' leadership in places and among people at less senior grades.

In addition, there was the technological transition. Technological changes that might ordinarily have taken years had to be implemented virtually overnight. Technology companies were both an enabler and saviour through the pandemic, but it also revealed the scale of their power, and how much we rely on them for connection.

Leadership in 2021 and beyond

'Don't be afraid to start over. It's a chance to build something better this time.'

Whilst the vaccine has brought some relief to the UK, in 2021 we face a chain reaction: a health crisis is turning into an economic crisis, which in turn is becoming a social crisis. As one HR director described: 'A lot of things have been hidden, bubbling under and getting worse'.

The impact of this pandemic will be felt for years, and this raises critical people challenges that require a strong alliance between senior HR directors and executive teams.

1. COVID-19 grief is different. Joshua Morgenstein, chair of the American Psychiatric Association, believes that COVID-19 grief is unusual because many who mourn have been unable to say goodbye to their loved ones in the normal way. Business in the Community urges employers to 'talk about death in a meaningful way'. The level of compassion and support that employers show will be critical to maintaining morale in 2021.
2. Generation COVID-19. CIPD President Professor Sir Cary Cooper emphasised that *'It's crucial that employers do all they can to engage with their younger employees.'* Many have lost much through the pandemic, not just because of job cuts but also through the cancellation of opportunities like apprenticeships or graduate schemes.

Those in work have missed out on the learning and networking that happen informally within the workplace, having to work in isolation instead. Leaders need to support this younger generation.

3. *'We have been borrowing from employees – trading on the equity we have in hearts and goodwill'*, as one MD put it. 2020 showed that people can be trusted to work well from home. The question now for HRDs and executive teams is how to rebuild positive cultures while some of the workforce are still at home and others onsite.
4. As one HRD said, *'It was clear that people could be trusted to do the right things. The question is whether trusting downwards is "for life or just for a crisis?"'* Will control and decision-making return to the top?
5. How do we deal with economic recession alongside being a responsible business? During 2020, the support that business poured into society through resources for health services, education and the food chain meant business was seen as a force for good. Can that continue in 2021 and beyond, within challenging economic climates?
6. Digital dominance. How will senior teams take advantage of the transformational capacity of technology, AI and all things digital, whilst simultaneously safeguarding privacy and security?
7. As Bill Gates argued, *'COVID-19 is awful. Climate change could be worse.'* How can leaders learn the lessons from the pandemic and apply them to tackling climate change? This requires 'cathedral thinking' – imagining a world very different from our own, with long-term goals and visions.
8. Health has become a standing item on the boardroom agenda: physical, mental, organisational and societal health. How can organisations ensure healthy living both inside and outside the workplace?
9. No retreat. Maintaining a response to social injustice based on compassion and empathy – why should leaders only show empathy in a crisis?
10. Righting wrongs and finding balance. We will need to redress large differentials in pay and reward and levels of risk taken in an uncertain environment. Public outcry will remain unless a sense of fairness and justice is achieved between executive pay and general reward policy.

For people professionals, their senior teams will continue to look to them for guidance in

the short term. In the medium term, if we need new kinds of leadership, it raises questions about the redesign of leadership development programmes. How should talent programmes equip the next generation of senior leaders with the right experience and capabilities?
