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Organisational and Leadership Effectiveness

Consulting

# Respond, Recover, Renew Organizational and Leadership Best Practices in COVID-19

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# Introduction

In a prophetic Ted Talk in 2015, Bill Gates alerted the world to the lack of readiness around a virulent, flu-like, pandemic that could impact all aspects of human life – its economies, societies, corporations and people. Yet few could have predicted the reality of the ravaging impact that COVID-19 has had on the world in 2020.

In January 2020, economies were relatively stable, stock markets relatively buoyant, volatility was low and geo-political tensions and trade war dynamics appeared calmer than they had been in 2019. In the Gulf region, we had seen WTI trade in a range of \$53-63 during 2019, helping balance fiscal budgets and fund key projects. We had witnessed our key economies diversify and increase GDP and non-oil revenues. COVID-19 was the black swan that changed the game towards the end of Q1, 2020.

So, what of the Organizational and Leadership implications of COVID-19? It's too early to predict the true impact and to reimagine the “new normal”, but certain themes and best practices have emerged – some by design, some by default (“innovation on the fly”).

OLE Consulting, through Dr Brendan McCann, sought to find out what was on the mind of the current CXOs in the region. He conducted 25 CXO interviews via video-conference and “tested” hypotheses built from his Executive Coaching work in the region.

OLE Consulting is a boutique Executive Leadership consulting firm. Unlike Big Consulting we do not have researchers, analysts and production staff but we have a robust direct-line to some of the top Executives in the region and it is upon this foundation this research and paper is founded.

We hope you find this document useful and appreciate this gesture.

Please allow us to wish you and your families health, safety and happiness as we approach the end of the Holy season of Ramadan and on to a joyous Eid.

# Executive Summary

The Leadership and Organizational response to COVID-19 can be described in three time-frames each of which carries its own mandates and imperatives:

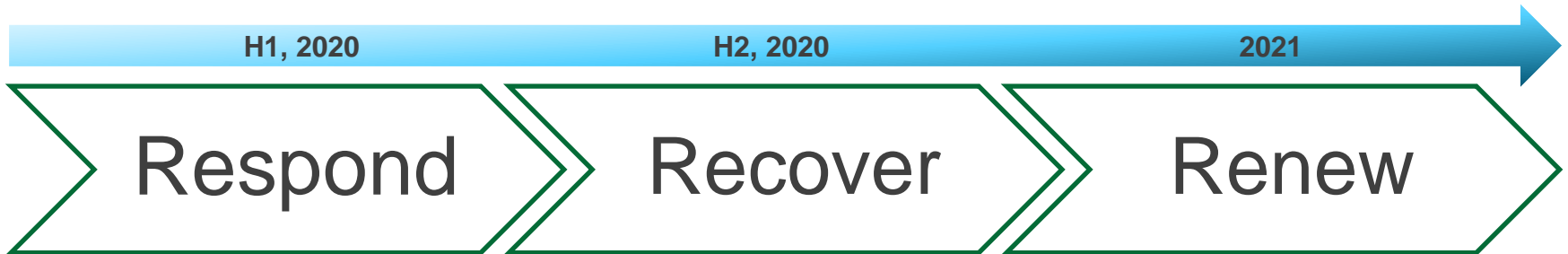
## Responding, Recovering and Renewing

Organizations that **responded** well moved fast and established a “control center.” They communicated through a confident, candid and empathetic CEO providing employees with security, assurance and hope. They moved employees to remote working and established technological platforms for working and communicating, in turn, ensuring business continuity and due protection on cyber security.

**Recovering** companies established employee-wellness programs and prioritized employee safety. They supported frontline staff with reassuring messages and cash awards. They supported Middle Managers with playbooks, toolkits and FAQs to enable them to lead themselves and others through the crisis.

In **renewing**, proactive organizations are cherishing their mission-critical positions and retaining A-grade talent. They are talent poaching in an opportunistic labour market. They are imagining the workplace, workspace, work processes and workforce of the future.

# Safeguarding and Renewing Your Organization – The Path To The New Normal



**Control the dynamic and the narrative, don't let it control you. Cut only what you need to cut and keep your stakeholders informed and engaged:**

- Instil the CEO (empathy, instructive, confident) as the figurehead for Corporate Communications
- Safeguard the organization and its employees
- Establish a “control center” for business continuity and co-ordinated messaging
- Make necessary IT, e-commerce and cyber security investments
- Entrench an organizational, technological, HR and Leadership eco-system to sustain the business

**Move from being reactive (“crisis mode”) to being proactive:**

- Prepare, prepare, prepare. Model alternative strategies and business models and be ready for the snap-back
- Ensure workspaces are compliant & safe for work
- Use alternative staffing models and re-tool and up-skill employees for the new reality
- Engage employees around renewal
- Harvest and entrench best-practices
- Be prepared to answer stakeholder questions, stay compliant on Employment Law and make and communicate firm decisions on total compensation and benefits

**Things will never be the same again, but they can be better. Showcase your resilience and enliven stakeholders with your renewed vigour and confidence:**

- Interact with all critical stakeholders to envisage and design the workplace, workspace, work processes and the workforce of the future
- Give employees a “say” in the new reality but expect challenge and novel ideas



# The Human Zeitgeist

## Case Study

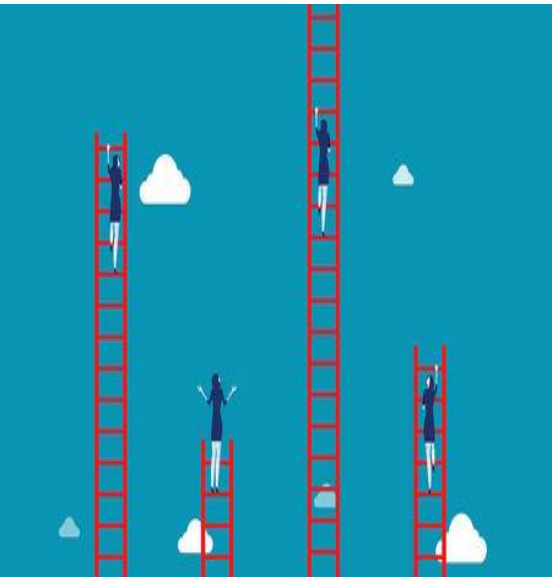


- Tariq is 34 years old and works for an Investment company in Abu Dhabi. He is pursuing a Masters in Financial Engineering in Canada part self-funded, part with a grant from his company. On January 1<sup>st</sup>, 2020 Tariq felt he had it all figured out, he had received an “exceeds-performance” rating and expected a decent pay rise and a robust bonus. He loved his wife, Miriam and his two young children but missed his elderly parents in Pakistan – still, with the bonus coming in, he would be able to send them money which would help.
- Come March 2020, Tariq was becoming increasingly worried about the COVID-19 pandemic. He was relieved that his bonus payment had been March 10<sup>th</sup>. Tariq felt his loyalty to his company grow and he was glad of the camaraderie and challenge as the team traded market volatility but began to de-risk. Tariq’s Boss seemed to like and respect him, but it was a distant relationship and Tariq lamented the lack of coaching he received from his Boss. Still, he had recently been tapped to lead a major change initiative and while he knew it was stretch assignment, he had a mixture of excitement and trepidation. The project was new to Tariq and his three team members and they desperately needed the technical guidance and empowerment a good Boss could provide.
- Come April, Tariq was ordered to work remotely. He felt his company had been slow to make that decision and he felt exposed and disgruntled. He had more time with the family and things went well in the first two weeks. As COVID-19 rampaged, Tariq’s company let 10 employees go. They were poor performers, but Tariq felt sympathy and suffered from a hint of “survivor syndrome”.



- As the days went by, Tariq's Boss became more and more remote and the inexperience of his team became more apparent. Tariq worked longer and harder to compensate. Mariam didn't seem to understand, and Tariq could see she was stressed under the pressure of home schooling the kids. Tariq had ups and downs, good days and bad days.
- Tariq worried about his parents and was relieved when the University postponed the MSc program. But the dream was dissipating. The CEO never communicated or showed any empathy and his direct Boss had all but disappeared. Budget cuts were damaging his project and Tariq was struggling to see a bright future – isolated from his parents with no prospect of a summer vacation, Tariq knew his compensation was unlikely to grow in 2020/21. Tariq had a Long-Term Incentive program due to expire in December, 2020; with the company's stock price down 25% on the year, Tariq feared the worst.
- Tariq was surprised that the Recruitment market, especially for top talents and cherished skill-sets, remained robust. He was amazed at the efficacy of online interviewing. Tariq started to refine his CV.
- Tariq admired a Hedge Fund in KSA, it had a strong Balance Sheet and good Management and had kept its powder dry and was ready to pick up distressed assets in the post COVID -19 economic snap-back.
- Tariq's situation is not unusual. In fact, **Tariq personifies the zeitgeist.**





# Trends Catalyzed By COVID-19: By Stakeholder Group

## Stakeholder Trends – Top of the House

- **Boards:** Board meetings are taking place via technology and are happening more frequently and for shorter durations. Boards have moved to a short-term focus with operational issues and corporate exposures and risk management top of the agenda. It is important that in recovery mode, Boards remember that long term thinking, strategic contribution and CEO support is their core purpose and main source of focus and value
- **CEOs:** *“If you can’t stand the heat, don’t come into the kitchen,”* Serving CEOs are being tested as never before. While exhilarated by the challenge of managing in unprecedented times, CEOs are feeling the “burden of responsibility”. CEOs are reporting new themes associated with the role, and an intensification of the pressures inherent to the role. The “human” challenges that go with the turf are accentuated – making decisions with incomplete information, feelings of loneliness and isolation, missing out on candid feedback and above all, the realization that time is their most precious resource. CEOs are leaning on Trusted Advisors and Executive Coaches as never before. Many Leaders, corporate and governmental have excelled, many have made mis-steps and mistakes that will endure in the post COVID-19 world. As ever, CEOs are under intense scrutiny and the media glare and must be judicious in every word and action
- **Non Executive Directors (NEDs):** NEDs are reducing their portfolios and exposures and retrenching to their family offices and core/“host” businesses. NEDs are also distancing themselves from organizations with significant risks and exposures and moving towards organizations with strong balance sheets, effective and clean leaders. They are favoring organizations poised for an economic snap-back (cash-rich and powder dry)

## Stakeholder Trends – The Engine Room

- **Middle Managers:** Deep Fatigue! Middle Managers are perhaps the most exposed group. The typical demographic profile means a blurring of boundaries between home and work, the professional and personal. “Minor issues” like homeschooling, internet bandwidth, and morale at the professional and personal level are irksome. What is more challenging is managing individuals and teams in the virtual space and fielding difficult questions on company policy, job security, pay and benefits, from staff. Middle Managers report working longer days and a blurring in the weekend and a life without boundaries. They are finding delegation more difficult and are working harder not smarter. Any weaknesses in their teams appear more acute and the “I’ll just do it myself” attitude is very common. A number of VPs/CXOs are re-examining their professional plans and considering shortening their Executive careers and considering a sabbatical or portfolio career or a change in direction
- **A-Grade Talent:** Evidence that A-Grade talent, who are typically strategic and intentional in their career planning, are reimagining their career plans. With little prospect of significant wealth creation or career progression, this special class of talent is reworking personal motivations, expectations and goals. Special projects are being pulled and many employees lament that loss of resources, management attention and “oxygen” from key projects and strategic thrusts they were pushing. Early evidence from recruitment firms suggests candidates are looking for, and listening to offers, and that proactive firms are looking to poach cherished talents

## Stakeholder Trends – The Distressed Employee

- **Underperforming Employees:** Low becomes lower! Employees who were deemed unproductive (low work ethic, low productivity, limited motivation and/or skill-set) have become less-present and lower-performing in the “remote working” context. In the absence of structure and proactive supervision, unproductive employees are floundering. This relates to the worrying trend that Middle Managers are working longer and harder to cope with weaknesses in their bench-strength, to backfill individual employee weaknesses and to protect themselves from vicarious liability
- **Frontline Employees:** Frontline employees are the engine room of your organization, the brand ambassadors, customer interface and first line of defense on quality assurance and errors and omissions. Ironically, frontline employees are statistically the most likely to contract COVID-19, to be financially the worst impacted and they were also the group that were most at risk to losing their jobs to automation. Frontline employees are concerned about job security, financial insolvency and being forced back to work without adequate PPE, contactless handovers and periglass breakers. Many organizations have assured employees of “no redundancies” in 2020 and have provided hardship funds to enable staff to support themselves and their families. Commitments to honour all base and incentive compensation in 2020 has assuaged stress and helped maintain the focus and productivity of frontline workers. An innovative best practice in the region has been CSR programs that provide financial and social support for communities that have been hit that form key constituency groups



# Best Practices

## Best Practice Ideas

- CEOs have five key stakeholder groups – Board, employees, customers, investors and the media. Stay visible and vocal and engage all of these groups. Ensure that the Board sticks to its strategic mandate and provides CEO feedback and support, always maintaining its long-term view. Reassure employees, customers and investors. The CEO is on duty 24/7, don't make any **mistakes or mis-steps** that the media can latch onto, especially around strategic guidance, corporate governance and executive compensation
- Make Corporate Communication to all stakeholders a priority. External promises are internal obligations. It is important that with the **CEO front and center**, messaging to customers is about customer commitment and operational resilience. Where employees are concerned it, is about displaying empathy, team spirit, and as always, performance and results
- Position all Corporate Communications within the **organizational culture** you nurture and aspire towards. The current move towards treating the COVID-19 virus as a “war” feels jingoistic to many. Strive to strike the right tone and don't neglect “compassion” and “empathy” as a Communication value. Remember that communication is a multi-directional dialogue and ensure you have robust and working “feedback loops” in-place
- **Be Candid and Transparent** and use action language wherever possible. A calm and poised tone using statements like “Here are the actions we have taken,” “This is the rationale for this step,” “This is how it will impact you.” The rumour-mill and grapevine are your enemies and they typically get filled with bad news and attribute the worse possible motives to Management



## Best Practice Ideas

- Make employees, their health, wealth and safety, a priority. Establish a **“present online”** status to monitor employees’ safety and **mandate Management** to call all employees on a designated list for which they are responsible every second day
- If the organization can **make use of Government or Sovereign-sponsored programs** (e.g. furloughs) use them strategically and if it is viable, make a promise of **“no redundancies in 2020”** to give employees added security and a clear mind to concentrate on their work
- Be **candid without being too pessimistic** and depressing on all Communications around Total Compensation. Set expectations, assert the value of employability and the concept of “total compensation” (i.e., not just base pay)
- Be creative with **“blocks and boundaries”** around the workday which seems to be elongated for all levels of staff. Consider mandatory off-line lunchtimes (60 minutes) or a mandatory shutdown of workflow processes by 6pm (except in exceptional circumstances)
- Support **Middle Managers in their Leadership role**. Provide on-line Coaching and Counselling, provide Playbooks, Toolkits, FAQs and How-To guides for the Leadership challenges that they are experiencing at this time

## Best Practice Ideas

- **Separate** short- term targets (e.g., cost cutting, cash flow) from compensation programs but do not be afraid to adjust performance standards to cope with the pressures du jour and ensure the right focus and priorities are in-place over the short term
- Engage and retain **A-Grade Talent**. Through no fault of their own or the organizations, they have seen a massive dent in their career progression and career equity. While it is still too early to say, research suggests that candidates with top talent profiles and cherished skill-sets are actively marketing themselves and that top tier firms, with robust talent sourcing capabilities, are “fishing” for key talents that would have been previously unavailable to them
- Instill **Employee Wellbeing Programs**, providing outplacement support to redundant employees, access to Executive Coaches and Counsellors for existing employees and use online communities to share empathy, reciprocity and best practices in working remotely
- Support **new education and training programs** to help low(er) skilled workers and those without a Bachelors Degree increase their employability and value
- Stay on the **front-foot with CSR**, people have long memories and any value-added to stakeholders and communities important to your employees and stakeholders are great investments in your corporate and employment brand, and people will remember!



## Best Practice Ideas

- Harvest and exploit any **“innovation on the fly”** – many best practices are emerging at this time that can be codified and repeated going forward (e.g., **online meetings** have proven more efficient, focused and pithy and have avoided excessive politicking, tangential issues and grandstanding!)
- It has always been a best practice to use recessionary times to **upgrade IT systems**. Now is a good time to redesign and upgrade IT systems that will help automate antiquated processes, find new and novel digital ways to reach users and choosers and instill more robust **Cyber Security systems**
- Keep “manpower planning” activities high. Make targeted investments in **predictive people analytics** to gain insight into the skillsets you will need to hire and already within your organization to embrace new or revised roles. Retraining parts of the workforce can relieve workforce pressures in the short term and help create “the workforce of the future” for the economic snap-back.
- Be **fully prepared for the resumption of business** but be sensitive to employee needs and above all, know the **Employment Law mandates and restrictions** in all of the organization’s jurisdictions. Existing and emerging legislation will be hyper-sensitive in cases where employees feel they have been pushed back to work too early, against their will and/or without adequate support measures (PPE, social distancing, contactless handovers of resources, periglass breakers, ventilation, testing etc.)





# Additional Commentary

## Additional Commentary: Working Assumptions

- Most organizations are developing a phased back to work plan. With China, a live human experiment, several states in the US and countries like the Czech Republic are forging ahead with re-opening plans and will prove to be instructive case studies
- We asked our CXOs what their working assumptions are regarding the workplace in 2020/21. Commonly held assumptions, include (not exhaustive):
  - With a phased back to work plan, companies are expecting it to be at least 12 months until all employees are able to be in physical locations (with safe, well-ventilated and sterile workplaces)
  - Most organizations are expecting social distancing measures to be in place for over a year
  - CEOs expect a non-linear path to the new normal, anticipating reoccurrences of the virus, fluid legislation and even fast and blunt enforced shut downs
  - Many organizations have made provision for reopening selected businesses with employee testing, social distancing in the workplace and new cleaning protocols
  - Organizations believe they will need to be accountable in protecting their vulnerable employees
  - Most companies are modelling based on circa 20% absenteeism rates at any one time and are preparing for business disruption (e.g., blunt lockdowns upon confirmed cases in certain locales)
  - A working assumption is that there will be no gatherings of more than 10 employees at key meetings through 2021
  - Most companies do not expect workplace cafeterias and canteens to reopen for over a year
  - A widely held belief that organizations will need to beef-up their HR Admin and Employment Law capabilities to cope with HR/IR issues going forward
  - Similarly, most organization expect an increase in media attention and potentially an increase in whistle blowers and legal employment law cases
  - Most organizations realize they will have to experiment with new staffing models, including rapid-training for critical skill-sets, allowing increased working remotely, separating A and B teams to ensure business continuity

# CEO Checklist

- What have you learned about your connection and reciprocity with your Board? Have they provided the strategic and operational support and resources required to help you lead in the crisis?
- How have you experienced yourself within the context of crisis management and the multifarious roles you play? How effectively have you led the organization at this critical time?
- Do you feel you achieved the right communication tone? Owned the narrative? Communicated the right messages in the right way to all of your stakeholder groups?
- What have you learned about the capabilities, chemistry, resilience and agility of your Top Team? Their ability to work together to safeguard the organization and preserve enterprise wide value?
- How have Functional Leaders performed in managing the crisis – supporting the top team, collaborating as a peer group and providing deep technical expertise and management at this critical time?
- How robust has middle management benchstrength proven and how well have succession plans stood-up? Have middle managers translated strategic messages, feedback to management, maintained employee engagement and productivity?
- What have you learned about your Organization – its culture and health? How resilient has the culture proven in coping with the crisis and ensuring business continuity?
- How well have risk management and business continuity plans worked? Were you adequately prepared and able to take fast and effective action at the outset of the crisis?

# Organizational, Leadership and HR Playbook

Leaders and Organizations will need to balance the hard and the soft and show “Head, Heart, Hands and Guts”

## Organizational

- Put the mission, strategy and scorecard front and center in all decision-making and proactively support Leadership in rapid decision-making
- Own the narrative and communicate key messages, on multiple channels and establish two-way communication channels
- Design the organization around the new work realities, ensuring the structure, systems and processes and technology is in-place for efficient and effective working
- Protect and rapidly build contingency and succession plans for critical functions and mission-critical roles
- Automation of critical processes and processes with higher personnel risks

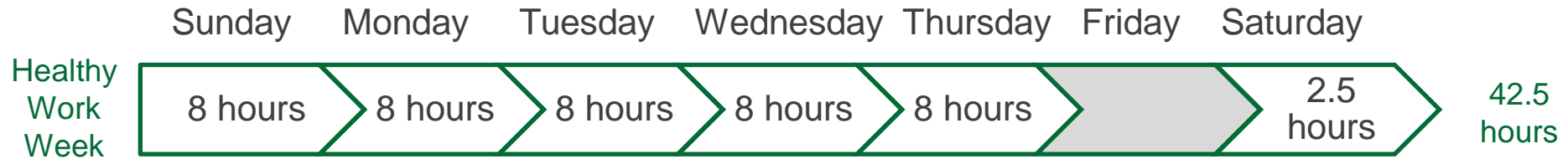
## Leadership

- Support Leaders and hold them accountable for visible, vocal, calm, resilient, agile and empathetic Leadership
- Enable Leaders through the use of playbooks, toolkits and FAQs – as well as targeted online training in the Leadership skills du jour
- Continuously support Leaders in communicating evolving policy decisions and work guidance
- Re-tool Leaders around the competencies required for future success
- Establish Executive Coaching clinics that help Leaders cope with the today and tomorrow of the crisis, ensuring well-being and ongoing engagement and productivity
- Prepare Leaders to give and receive empathy

## HR

- Establish robust risk management processes, anticipating claims and exposures that will emerge from the organization’s handling of the crisis
- Conduct talent risk assessments, focus on critical functions and mission-critical roles
- Monitor the completeness and effectiveness of contingency and succession plans
- Provide coaching and training for newly promoted managers and those joining the organization at this time of disruption and crisis
- Develop personalized retention plans for HiPos and A-grade talent
- Use predictive analytics to identify future skills
- Develop learning platforms to re-skill and re-deploy staff as necessary
- Establish rapid-survey techniques to monitor organizational health in real-time

# The Healthy Middle Manager: Time and Value Allocations



## Guiding Principles

1. Put your house in order, maintain your psychological, emotional health, monitor your stress levels, stay in contact with your network, seek guidance, support, counsel as required
2. The safety of your staff and direct reports is your responsibility, especially if you have vulnerable people in your charge. Check on their mood and morale
3. Pay particular attention to what you say and how you say it, don't speculate or add to negativity
4. Communicate in candid, short and clear sound bytes, encourage interaction
5. Lean on your HR business partners for emerging policy decisions and company guidance
6. Choose a relationship- based Leadership style over a Task style, choose candor over charisma
7. When you sense "early engagement" from employees, remind them of performance targets and reinforce a sense of optimism

### The 3 X 30 Rule

- 30 minute free in the morning to prepare for the day – Leadership conditioning
- 30 minute Lunch
- 30 minutes free at the end of the day to reflect, capture rates and plan the next day



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# About Us

## About Us

OLE Consulting is a boutique Executive Leadership Development consultancy with offices in Dubai, UAE and Glasgow, UK. We enable organizations to create robust Leadership brands and pipelines – ones that safeguard the organization and attract, mobilize and retain top talent. We help serving Leaders gain the confidence, competence and presence they require to take their career to the next level.

Dr. Brendan McCann is a career Management Consultant and Social Psychologist and has been practicing in the Region since 2000.

We maintain a balance of work on 70% MENA and 30% UK and Europe to ensure global best practice and Gulf best-fit.

We are firmly committed to the region and determined to make a solid contribution to the Gulf economies, organizations and the clients we serve.

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