



OLE

Organisational and Leadership Effectiveness

Consulting

COVID-19 Crisis: Recovery Organizational and Leadership Implications and Imperatives



Contents

Page	Section
3	Introduction and Executive Summary
5	Emerging “RECOVERY” Themes
9	Emerging Themes & Issues
13	Inventories & Audits
17	Additional Commentary and Tools <ul style="list-style-type: none">- The Bricks & Mortar Re-set- The Challenge of Employee Engagement- The New Psychological Contract- The Performance Management Dilemma- Stakeholder Imperatives- Decision-Making for Remote Working- Sample CEO Key Message Platform- Questions To Expect From Employees- About OLE Consulting



Introduction

The saying goes that speculation is a “fool’s errand.” As we move from the **Respond** stage of the COVID-19 crisis and into the **Recovery** stage, it is important that we share best practices, hypotheses and best practices to anticipate and respond to the “next normal”. Things are changing daily but over the last few days a wave of economic exuberance and corporate optimism has engulfed the world, and particularly our key markets of Saudi Arabia and the UAE

Up until now, most organizations have stuck to fundamentals and got on with the business of safeguarding their employees, serving customers and ensuring ample liquidity for their shareholders. In preparing for the future, we have seen organizations reorganize their workforce and ways of working, find novel ways to serve customers and make two years’ worth of investment and advancements in their IT systems in just two months

The green shoots of recovery are there, and we can say with confidence that the way we organize ourselves, complete work, interact and behave will never be quite the same again

Being prepared for the “next normal” will require vigilance, creativity, imagination and hard work. Those who prepare well will thrive, those that don’t may pay a heavy price

OLE Consulting is a boutique Executive Leadership consulting firm. We are hard-wired to the most senior policy-makers and CEOs in the region – and we want you to share in the intelligence we generate

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

Dr Brendan McCann, Lead Partner.

Executive Summary

Over the last week, growing economic sentiment has nudged organizations from a crisis-management style (Respond) towards a more proactive and strategic way of thinking, managing and executing (Recover)

In H2, we will see a push for renewed business and organizational models, a hybrid (physical and virtual) workplace and a reworking of the employer-employee relationship and psychological contract

Organizations and leaders will need a new playbook to ensure organizations are modernized and fit-for-purpose and that we are well placed to attract, motivate, mobilize and retain the workforce of the future

This paper outlines some working assumptions, hypotheses and playbook tools and tactics to help organizations navigate the winds of change.

Emerging “RECOVERY” Themes



Emerging Themes
& Issues

Safeguarding and Renewing Your Organization – The Path To The Next Normal

The COVID-19 crisis and evolution can be understood and actioned within three distinct stages, each of which carries its own challenges and imperatives

We are here



Safeguard the workforce, move to remote working, invest in IT & Cyber Security, own the narrative & facilitate dialogue with employees – high on empathy and instruction

Envision and entrench a next normal that enables safe and effective working in a hybrid (physical-virtual) workspace. Rapid up-skilling of cherished skills (digital & leadership), with an elegant but definitive return to business fundamentals and a performance mandate governed by the corporate mission, strategy and KPIs

Entrench the next-Gen workplace, workspace, work processes and workforce of the future

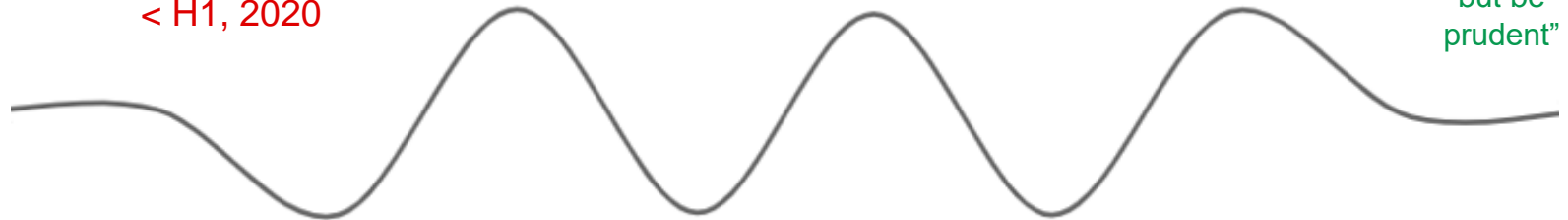
Phased Back To Work

Respond
< H1, 2020

* Recover
Q3, 2020

Renew
"It's never too
early to start
but be
prudent"

New
confirmed
cases



Imperative

Short term crisis
management

- Top TEAM & Functional Leads physically back to work
- A & B teams
- Stay at home mandates for at-risk people
- Meetings confined to 10 or fewer people

Therapeutic provision enables back to work and a "next normal" in the workplace, workspace and workforce

Working Assumptions*

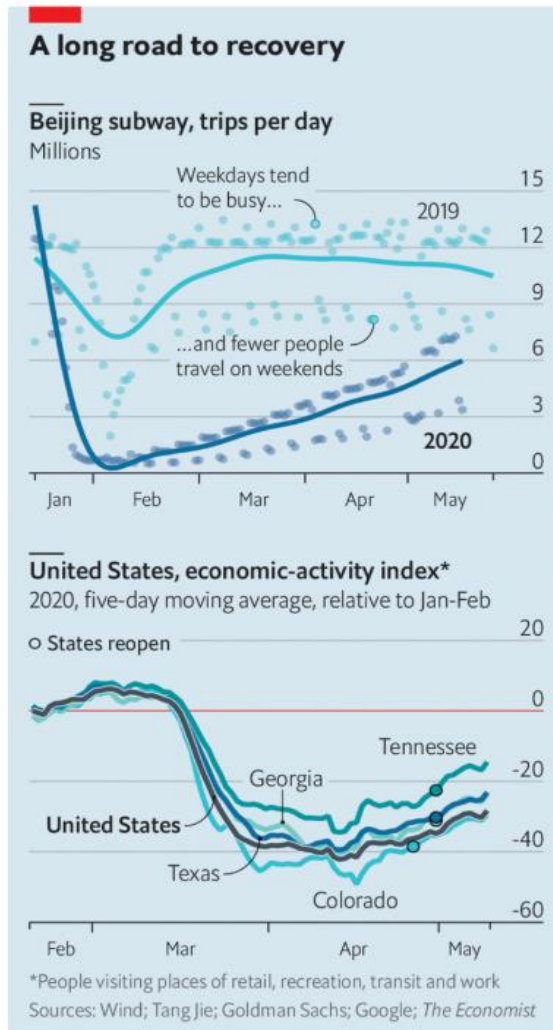
Assume:

- Formulate Plan A (no spikes or shutdowns) and Plan B (reoccurrences, harsh shut-downs)
- 20% absenteeism at any one time
- 80% (of pre COVID-19 crisis) productivity as a heuristic
- Employees will have mixed emotions on commutes and back-to-work mandates. "Normal distribution" assumes 15% early adopters, 70% variables, 15% opponents to back to work
- Be ready for "hard and fast" shutdowns, build the crisis management playbook & the skills to use it
- Be prepared for media attention, employment law scenarios, IR issues (resistors and whistle blowers)

*The assumption is that due safeguards are in place at the organizational and individual level

The Economist on “Tracking The Economic Recovery”

Though some lockdowns are being lifted, economies are not roaring back



Last month, The Economist coined the term **"90% economy"** to describe what will happen as lockdowns are eased across the world. It depicts a more solitary and less fun sort of society—the sort of place where the office is open but the cinema isn't. Analysis by Tang Jie of Peking University finds that weekday subway trips in China have recovered to a greater extent than weekend ones, suggesting that people are more prepared to travel for work than for pleasure. Sales of instant noodles, savoured by homebodies, have rocketed. Meanwhile, some American states have started to lift lockdowns, but there is little sign of economies roaring back.

Source: The Economist 23rd May 2020 edition



Emerging Themes and Issues

Some Themes To Consider

- **The workload tsunami!** With very little easing-in, **work activity** and time and motion will accelerate rapidly. Impatient executives and a widespread desire to re-energize projects, claw-back losses and entrench the next normal has the potential to consume bandwidth and swamp organizations and leaders
- A significant **in-flow of previously inactive and “moth-balled” projects** – especially the mission-critical projects and those that have a CXO sponsor
- An **increase in requests** from various stakeholder groups including customers, vendors and sub-contractors as they re-generate their businesses and look to reengineer and re-finance existing projects and contracts
- Corporate Functions like HR, IT and Legal should anticipate the need for **non-normal, novel ways** of serving and protecting the organization
- A-grade talent have **seen the frailties in business and organizational models** revealed in the COVID-19 crisis, weak employees got weaker and partial leaders were exposed. Total compensation and career opportunities were constrained. Mission-critical projects lost budget and momentum. A-grade talent have emerged as a potential talent flight risk. This special class of talent **will hold** their organizations to a higher bar and insist on business and organizational models that are future-looking and fit-for-purpose.



Some Themes To Consider

- Frontline workers have been battered in the COVID-19 crisis – they were most at-risk to contracting the virus, most at-risk of financial insolvency and were already feeling job insecure due to increased use of AI and automation. **Supervisors will face an acute challenge in realigning and motivating frontline employees** who will return to work distracted and worried. Organizations should support frontline supervisors in managing their staff through training, targeted coaching and mentoring and toolkits
- En-masse adoption of digital strategies, with a laser **focus on automation, digitization and a major updating of Cyber Security**. These themes will dominate the Board Room and could divert corporate investments from other key areas and projects
- Novel challenges around the **retention of Executives and Top-Tier Talent**. In the Gulf region this is characterized by Executives who have built significant wealth in a tax-free environment and in a bull-run for the US-denominated economy over the last decade. Most executives in the OLE Consulting network are doing some soul searching and considering shortening their corporate careers: potentially taking time out, having a sabbatical and in the longer term, pursuing more balanced portfolio careers.

Some Themes To Consider

- The notion of corporate travel will be redefined. Research and science will shape strategies and policies where corporate travel is admissible, compliant and necessary (Who? Why? When? How?). The Airline Industry posit that it will be 2024 before passenger numbers will reach former levels. Organizations have learned to work remotely. Corporate travel will be another “hot potato”
- Narratives have a habit of shifting. As the COVID-19 crisis subsides, organizations should get back to proactively managing the full risk spectrum. We anticipate Climate Change will become the next big narrative as the world seeks to heal itself and become more ecological. This process will be accelerated if a COVID-19 vaccine is found or on therapeutic breakthroughs
- Those in the Investment, Financial and Banking field should stoke their energy levels and upskill their competencies. Cash-rich entities (dry-powder) here in the region will look to ramp up investments in all asset classes. Under-performing Private Equity companies, vulnerable companies and distressed debt will be there for the taking and many entities in the GCC are buying or intending to buy.





Inventories and Audits

Inventories Organizations Must Build

- **Country Policy – Shapes Company Policy** – Executives must implement safety guidelines from Governments but look beyond the obvious to assess emerging business disruption and talent retention risks. The issue of when schools and universities reopen is critical for many global nomads in the region and could see an outflow of expat employees who are making decisions based on their children’s education needs and the untenability of long-term home schooling
- **Current State Employee Inventory** – It is imperative that organizations know what the “current status” of all employees is. Simply expressed: who they are, where they are, and what each person’s “back-to-work” status is (e.g. travel mandates, quarantining)
- **At-Risk Employees Inventory** – Organizations must leverage a robust criteria to identify (and therefore, protect) their most vulnerable employees. Demographic and personal medical status is person-specific criterion which can be augmented by other factors such as geographical location and presence of COVID-19 re-spikes.

Inventories Organizations Must Build

- **Amalgamate and Analyze Succession and Contingency Plans** – With a laser focus on mission-critical processes and job roles, organizations need to plan for business continuity, up-skilling and the rapid redeployment of key personnel based on evolving business needs
- Inventory and audit existing **training and development** programs and ask if these programs remain viable (e.g. cost-effective, social distancing), valid or need to be re-set to upskill employees for future business needs
- **The Tough Questions and Your Answers** – Expect feedback and challenge from all stakeholder groups, especially employees. These will run the gamut from job security, total compensation and career prospects, through to questions about the business, organizational and Human Capital model going forward
- In the last three months, **many innovations** have happened by design and some by serendipity (“innovation on the fly”). Key learnings, best practices and project enhancements that have longer term viability should be codified, scaled and made available for future use.



Inventories Organizations Must Build

- True **Talent Management** happens when all critical roles are occupied by a top talent and when a robust talent pipeline exists. Inventory and protect key positions and processes and be prepared to mobilize, even move, top talent and exemplar leaders into new roles and projects as required
- Monitor which **senior leaders have stepped up and stood out** during the crisis. Be prepared to by-pass traditional policy and organizational barriers and be bold in moving them into pivotal, visible and critical roles as required
- CIOs must create an **IT Resiliency Dashboard** to monitor the IT services they provide. Monitoring key metrics for storage, compute, application availability, desktop virtualization and VPN use can help IT know whether service level agreements are being met. The dashboard is critical for the anticipation and mitigation of risk
- **Litigation Risk Dashboard** – Post COVID-19 litigation may heighten for companies. **GCs should evaluate the potential litigation risk** by looking both at the companies own risk portfolio and across its industry, as well as looking backwards to litigation spikes following other crises. External Counsel should be retained to bolster in-house capabilities.





Additional Commentary & Tools

The Post COVID-19 Psychological Contract*

The Psychological contract describes the relationship and exchange between the Employer and the Employee. It surfaces the latent perceptions, expectations and promise of value both bring to the work deal. It heavily shapes how both parties behave in relation to each other

- While most commentators have focused on business model and technological change heralded by the COVID-19 crisis, few have focused on the changes we will see in the psychological contract between employer and employee
- With four generational groups working in the workplace, the psychological contract was already evolving in real time – this process has been accelerated by the COVID-19 crisis
- Real-time data suggests these dynamics are salient and pervasive, specifically:
 - A sizable proportion of employers are not addressing employee psychological issues
 - As little as 30% of employees expect their total compensation to grow in 2020/21
 - Around 70% of employees report being surprised at how easy it has been to leverage technology to work from home
 - Only half of organizations report having established a direct senior management-employee channel
 - A minority of organizations report having prioritized employee training in the last 3 months
 - Circa 40% of employees are reporting lowered motivation and energy levels than usual
 - 65% of employees report enjoying more balance and family time in their lives
 - WhatsApp has emerged as the tool of choice in the remote working period

*Data gained from a mini-survey of 25 CXOs in the Gulf Region, conducted by Dr. Brendan McCann

The Bricks and Mortar Re-Set

“There is a rhetoric-reality gap when it comes to remote working. Many of the CEOs I am speaking to in the region are talking about when, not if, there is a full return to the office. Working remotely will be the “hot potato” clash between the employer and employee going forward.”

Dr. Brendan McCann, OLE Consulting

- This is the first major crisis and pandemic that has truly taken place in the digital world
- The bricks and mortar strategy that saw full employee compliments in offices and factories has witnessed challenge and has had a significant re-set
- Most organizations and employees have reported being surprised at how easy the transition to remote working has been and how well technology and videoconferencing has worked
- On the downside, workers admit to feelings of loneliness and isolation and leaders lament how difficult it is to manage, develop and monitor staff in the virtual world
- Most organizations expect a hybrid (physical and virtual) workspace to emerge and that will carry significant challenge and potential change for many of the more traditional organizations
- Organizations need to develop robust policies and proactively support line managers as they address employee questions on the future of remote working and field requests for the same
- Managers of Managers must support supervisors in implementing policy and in making wise decisions on remote working on a case-by-case basis.

Stakeholder Imperatives



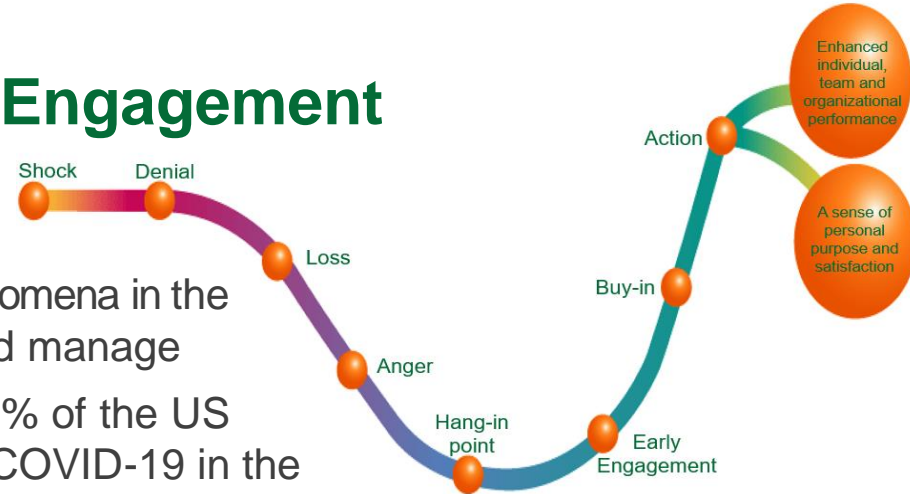
The Performance Management Dilemma

Two months into the lockdown, it is fair to assert that most employees have gone through this period without receiving any feedback on their performance and/or development

- Feedback works best in a face-to-face setting and constructive feedback is key to behavior change
- A recent survey by **PWC** during the COVID-19 crisis reported:
 - 60% of employees would like to receive daily feedback
 - This number rose to 72% for employees under the age of 30
 - 69% of employees reported they would work harder if they felt their performance would be recognized by management
- **Line Managers report to OLE Consulting that the mid-year performance review could easily feel like an academic exercise and be a very challenging process.** How do you measure performance in a vortex? How do you differentiate top performers from lower performers? How do you set realistic KPIs for H2, 2020? And what of the links between performance management and compensation?
- Consistency in communication and implementation of mid-year reviews is critical and the organization must support leaders with guidance and training to enable this process
- Supervisors should attune to the future competencies that are emerging as most critical at this time (e.g. digital skills, resilience, agility)
- Proactive Organizations and HR capabilities must ensure the free-flow of performance feedback, up, down and across the organization.



The Challenge of Employee Engagement



- Panic, burn-out and drop-out are very real phenomena in the post COVID-19 crisis world – recognize and manage
- **Forrester Research** recently found that 59% of the US workforce were afraid of the spread of the COVID-19 in the workplace
- **The fundamental: Employee engagement is always founded on two-way communication**
- It is not a time for wartime leaders, heroes or charismas. It is a time for empathy and instruction, but leaders should leverage any sign of “early engagement” to stoke employee motivation. Follow these principles to get employee engagement right:
 - **Signature Voice:** Own the narrative and conversation via CEO-led, one face, one voice, clear confident messaging
 - **Strategic Narrative:** Bring the outside in. The market and competitor threat is the only way to have employees join you in the fight to win in the marketplace
 - **Management Translation and Facilitation:** Ensure managers are skilled at translating management communications into actionable outcomes
 - **Employee Voice:** Entrench feedback loops and listen and respond to employee feedback
 - **Integrity:** Seek a clear, consistent message that adheres to the organization’s culture and values

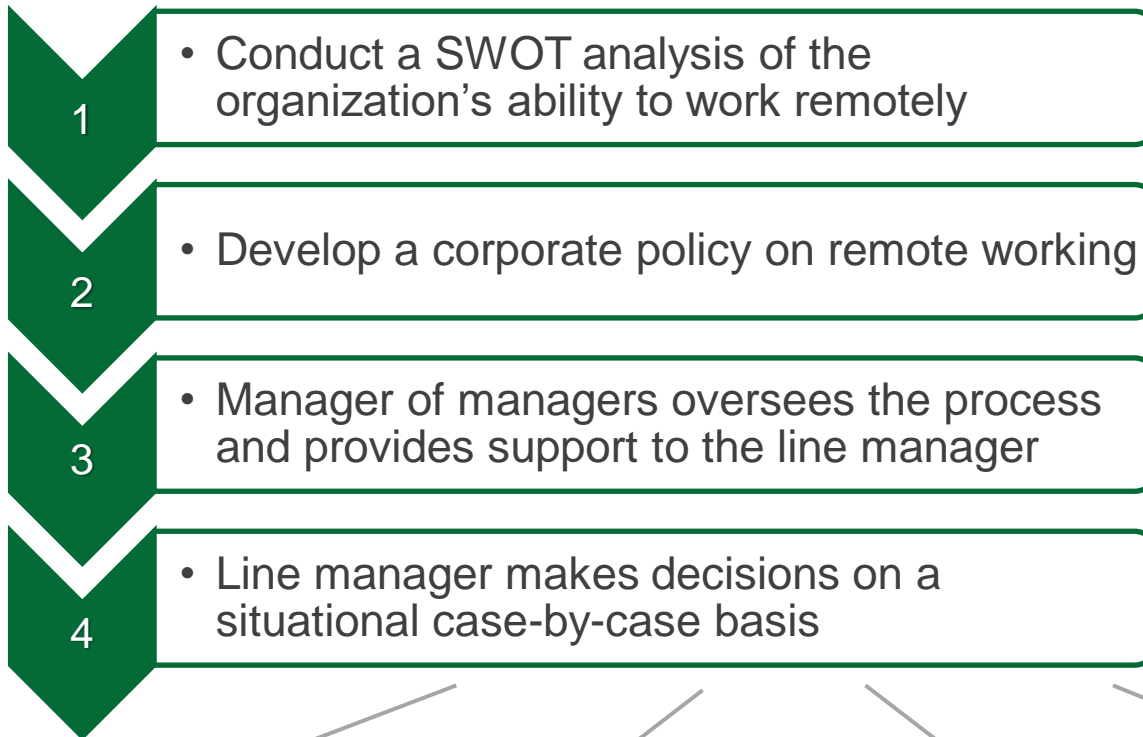
Illustrative CEO Key Message Platform

- Please allow me to express my admiration and gratitude on how you have handled the last three months in these trying circumstances
- The Board, myself and our senior executives looked on with pride as you secured your families and stayed focused on your jobs
- While there will be economic ramifications for the company, our productivity has held up well and that is largely due to you, your talent and commitment
- Medical practitioners and Economists are becoming more optimistic that the worst of this crisis and horrible disease is behind us, hence we must all partner to think about how we return to working physically as well as remotely
- Rest assured that your safety and security is our number one priority
- We have been sanitizing our offices, acquiring PPE, and creating secure IT systems and social distancing arrangements – always in collaboration with Legal and Medical advice
- Any return to the physical workplace be prudent, we are hoping for a seamless process but will plan for all contingencies, priming our organizational and IT model to anticipate and cope with any shut-downs or challenges we might face
- Myself and the Top Team will be the first ones to return to office working
- May I respectfully ask you to continue to look after your families and stay focused on doing your job to the best of your abilities. I also invite you to start to mentally plan for some form of return to the physical workplace in the coming weeks
- Things are changing fast and all I can promise is that when we make decisions, that they will be based on expert counsel and that we will be candid in explaining why we have taken those decisions and what the implications are for you
- We must all continue to ask ourselves how we can come out of this crisis, individually and collectively, bigger and stronger and more prepared to help create a better future –success we can all share and celebrate
- For now, I wish you all the very best of health and again, please accept my gratitude and best wishes.

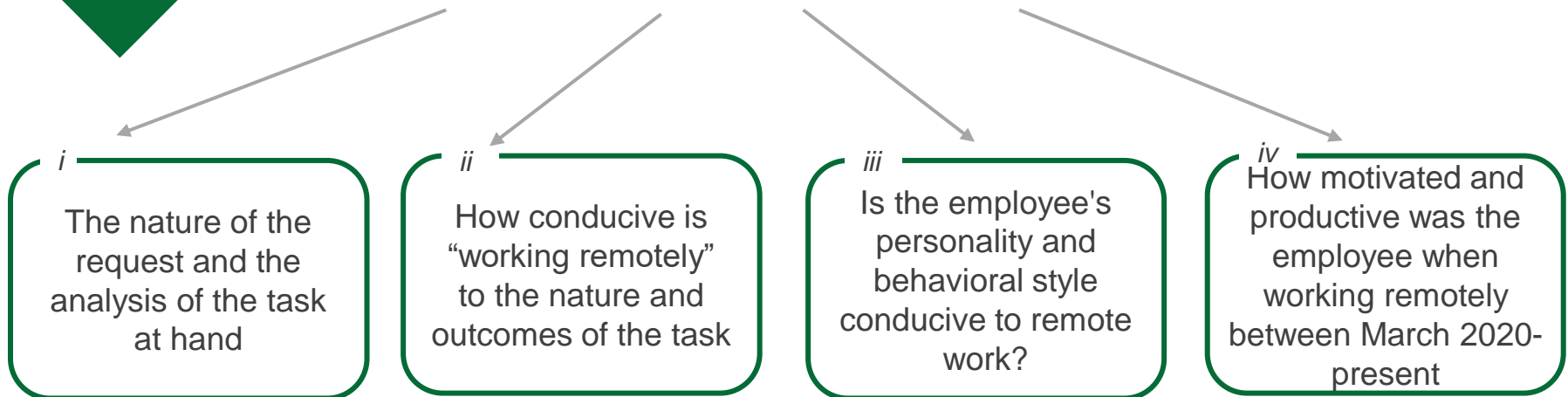
Questions To Expect From Employees

- What resources are in-place to help me and my family navigate the COVID-19 crisis?
- Will I get sick pay if I contract the COVID-19 virus?
- Will there be job cuts in 2020/21?
- What steps have the company taken to ensure the workplace is safe and secure for any return to work?
- Must I attend a physical work location on the employer's instruction, even if in myself, I don't feel that is the right decision?
- I need to be home with my children when schools are closed, is there a special provision for that?
- Will attendance at physical meetings that have two or more other participants be mandatory?
- Is there a hiring freeze in place?
- My department had an approval to hire a much-needed middle manager, is that opportunity still there?
- Under which circumstances will I be allowed to work remotely?
- I have clients in other countries, what is the company's stance on corporate travel?
- We have seen many inefficiencies reduced and best practices emerge during the crisis, will the organization seek to entrench these new, more effective ways of working?

Decision – Making Support for Remote Working



“Working remotely allowed me more balance and control of my day. I have mixed emotions about returning to the office.”



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.

www.oleconsulting.com

This report is for the exclusive use of the OLE Consulting client named herein. OLE Consulting has offered this report as a professional courtesy to cherished clients and prospects. All decisions in connection with the implementation or use of advice or recommendations contained in this report are the sole responsibility of the client.