

COVID-19 RESPONSE

DOs AND DON'Ts FOR BUSINESS LEADERS

A three-part framework for guiding organizations successfully through crisis to transformation

In times of crisis, how leaders respond makes a world of difference for their organizations' business results in addition to the well-being of their workforces, customers, and other key stakeholders. Indeed, the right leadership can not only secure an enterprise's future, it can literally save human lives.

But what makes a good leader through a crisis and into transformation? Don't look to business-school theory for the answer to this question. Instead, look to analyses of actual leaders amid real crises; in particular, how they act, how they think, and how they manage emotions—in themselves and others.

THE IMPORTANCE OF ADAPTIVE LEADERSHIP

For organizations in all industries and sectors, a crisis can erupt from any number of causes. The COVID-19 pandemic is an apt example. Natural disasters, such as the 2011 tsunami that led to core meltdowns at the Fukushima power plant, along with humanitarian crises and political unrest, is an additional case in point.

Regardless of what triggered a crisis or what forms of destruction the crisis inflicts, analysis of crises and their outcomes suggests that a leadership style that we call Adaptive is vital. Indeed, it effectively addresses urgent needs while repositioning an organization for greater resilience. It enables individuals, groups, and entire organizations and societies to respond flexibly to the rapidly changing and unfamiliar circumstances that often characterize crises. This leadership style can even dramatically reduce the severity of the worst impacts that a crisis can inflict and lays the foundation for a more sustainable organization.

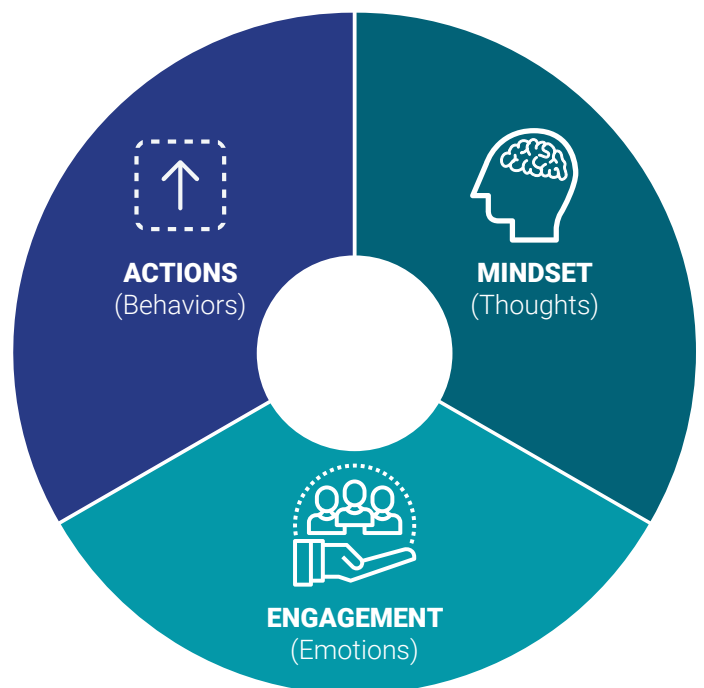
A CLOSER LOOK AT ADAPTIVE LEADERSHIP

Adaptive leaders are distinctive on three fronts:

- 1. Actions:** how leaders behave.
- 2. Mindset:** how leaders think.
- 3. Engagement:** how leaders manage their own and others' emotions.

But how exactly do these defining traits play out in practical terms? By exploring answers to this question, leaders in any type of organization can master this approach and guide their people through even the worst of crises with the flexibility and resilience essential to success and survival.

With that in mind, let's take a closer look at each component of the Adaptive Leadership framework.



1. ADAPTIVE ACTION

Adaptive leaders' distinct behaviors manifest themselves in several ways.

Communication

To lead your organization effectively through the COVID-19 crisis, as well as other crises that may strike in the future, you need to communicate with your workforce three or four times more often that you might do doing normal times. Think of communication as a daily activity, not a weekly one. And be honest: Don't shy away from delivering bad news; rather, deliver it with sensitivity.

Strive to remain highly visible to your people, using technology—digital platforms, live video town halls, recorded videos—as needed. This steadfast visibility lets you encourage others and give them hope, as well as remind them of your organization's values and share the vital information they need to navigate the crisis.

Goals

Be sure to set clear goals, in meaningful and motivating terms, that people can attain quickly. For instance, set an objective for month-end that focuses your team's collective energy and results in a 'win'. This is vital for building and maintaining morale. As your team members achieve these goals, they will be able to see that they're accomplishing something important and valuable—and their resolve will strengthen further. Delegating tasks to the right people, and setting stretch goals that they can take on, further fosters inspiration and commitment.

Purpose

Always be sure to remind people why your enterprise exists, and how it serves society. Now is the time to explicitly connect the organization's goals with its values, and to demonstrate the alignment between the company's core values and purpose and the choices and actions everyone makes now. Nothing motivates more powerfully than purpose does, and now more than ever, people throughout your organization need to be reminded about the 'why's' of their work.

Finally, demonstrate a strong bias toward quick, decisive action. How? Always think about what challenges might be looming, and swiftly establish the resources (supplies, personnel, funding) needed to tackle those challenges.



"All failures in war can be broken down into two words: too late."

– US Army General Douglas MacArthur

2. ADAPTIVE MINDSET

A leader's mindset comprises his or her thoughts about the crisis at hand. To adopt the right mindset, focus on data, and let science and facts (not intuition) inform your decisions and actions. Cite the science and facts as you communicate your decisions.

What's more, set up a core crisis team comprising people to help you track data most relevant to your situation. Assign those roles based on capability—not on criteria such as age or formal title in the organization.

Last, work to develop mental flexibility in yourself. That is, be open to new data and ideas, and boldly face shifts in realities as they occur. Identify people throughout your organization, at all levels, who can advise you, give you feedback, and make sure you're getting the latest and most accurate information. Agility in thinking, especially in the face of bad news, is what sets strong leaders apart.



"When I've made decisions I've regretted, it was often because I didn't have enough facts, I didn't ask enough questions, and I didn't ask the right people."

— Ohio Governor Mike DeWine

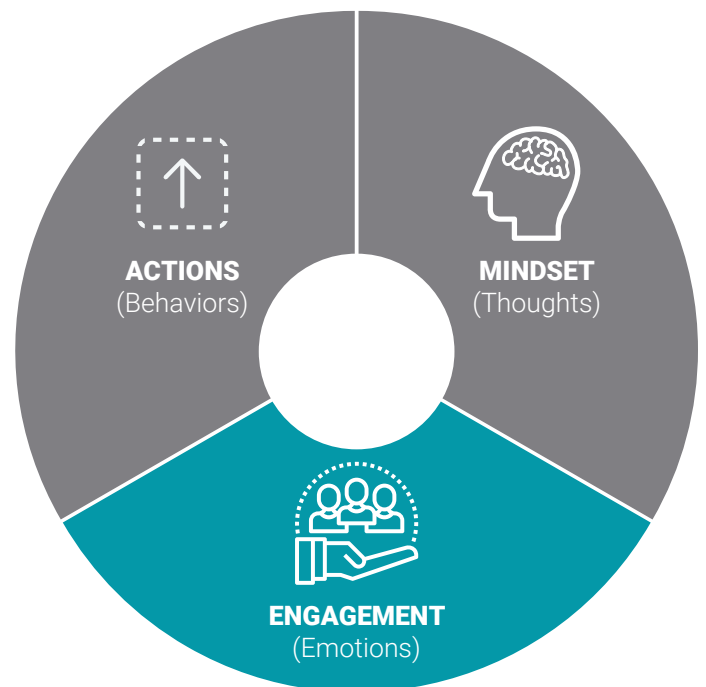
3. ADAPTIVE ENGAGEMENT

The way leaders approach engagement translates directly into how they manage emotions—in themselves and in others. To lead your people through the COVID-19 crisis, for example, model equanimity—remaining calm and demonstrating emotion only to express your pride in others. Strive to balance empathy and concern with realistic optimism.

Work to demonstrate humility as well. Understand that no one person can ultimately know everything, and acknowledge that other people may know more than you about the crisis. Demonstrating humility shows people that you are authentic. And this character trait matters much more than any formal title in inspiring others to follow you.

"[Never] confuse faith that you will prevail in the end—which you can never afford to lose—with the discipline to confront the most brutal facts of your current reality..."

— Admiral James Stockdale



EMOTIONAL INTELLIGENCE AND ADAPTIVE LEADERSHIP

The best crisis leaders score high in emotional intelligence. That is, they:



Know what emotions they are experiencing



Understand how people around them are feeling



Use this understanding to guide their actions, thoughts, and decisions during the crisis



In a word, they excel at **empathy**—which enables them to win followers' loyalty and motivate others to take effective action.

HOW ADAPTIVE ARE YOU AS A LEADER?

Are you adaptively leading your organization through the COVID-19 crisis, and are you prepared to lead with the same style if and when crises afflict your organization in the future? To assess your ability, determine which of the following statements most accurately describe you. For any statements that don't describe you, identify ways you can strengthen that Adaptive leadership trait within yourself. Your organization—and every person in it—will benefit.



IN MY ACTIONS (Behaviors)

I am...

- Communicating more often with employees than I do during normal times
- Frequently reminding people of our company's values and purpose for society
- Always visible to others, using technology as needed
- Conveying honest and accurate information, with compassion
- Setting clear goals that people can achieve quickly
- Taking quick, decisive action



IN MY MINDSET (Thoughts)

I am...

- Relying on science, facts, and data (not intuition) to inform my decisions
- Leading a core crisis team of people who can help me track relevant data
- Remaining open to new data and ideas and willing to face shifts in circumstances
- Viewing the crisis from the viewpoint of employees and customers, not my own interests
- Staying focused on the big picture and the end goal



IN MY APPROACH TO ENGAGEMENT (Emotions)

I am...

- Modeling equanimity
- Balancing realism with optimism
- Demonstrating humility and authenticity
- Showing empathy
- Listening to others attentively

Leading through a crisis is never easy. But Adaptive leaders provide the most effective guidance and inspiration to others in their organization during the toughest of times. The good news is that we can all learn how to lead more adaptively. Start by understanding the actions, mindset, and approach to engagement that make this leadership style distinctive. And work to strengthen these traits and qualities within yourself as needed.

CONTACT THE AUTHOR:

Ted Bililies, PhD

Chief Talent Officer, Managing Director

+1 617 849 6004

tbililies@alixpartners.com

ABOUT US

For nearly forty years, AlixPartners has helped businesses around the world respond quickly and decisively to their most critical challenges – circumstances as diverse as urgent performance improvement, accelerated transformation, complex restructuring and risk mitigation.

These are the moments when everything is on the line – a sudden shift in the market, an unexpected performance decline, a time-sensitive deal, a fork-in-the-road decision. But it's not what we do that makes a difference, it's how we do it.

Tackling situations when time is of the essence is part of our DNA – so we adopt an action-oriented approach at all times. We work in small, highly qualified teams with specific industry and functional expertise, and we operate at pace, moving quickly from analysis to implementation. We stand shoulder to shoulder with our clients until the job is done, and only measure our success in terms of the results we deliver.

Our approach enables us to help our clients confront and overcome truly future-defining challenges. We partner with you to make the right decisions and take the right actions. And we are right by your side. When it really matters.

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