

AlixPartners
Disruption
Insights

**BUILDING A
SUSTAINABLE
WORKPLACE
FOR EMPOWERED
EMPLOYEES**

Stakeholder management in
a COVID-19 disrupted world

When it really matters.

After a year of unprecedented disruption, we begin 2021 in a state of both hope and uncertainty. Distributing vaccines and achieving widespread immunity will take many months. Economic recovery, almost surely, will take even longer and arrive unevenly.

As a result, the promise of a new steady state remains distant. However, after a year in which our lives have been so dramatically altered, planning for the post-pandemic workplace is by necessity happening now.

In this third in a series of articles on the ongoing challenges of managing stakeholders in a COVID-19 disrupted world, we examine your people, their increased and evolving expectations of work, and the need to respond decisively to these challenges.

STAKEHOLDER MANAGEMENT IN A COVID-19 DISRUPTED WORLD

	SOCIETY	INVESTORS	SUPPLY CHAIN	CUSTOMERS	EMPLOYEES
STAGE 1	<p>RESPONSIBLE:</p> <p>The company is viewed as doing the right thing without regard for financial consequences. They put health, safety, and social responsibility above other considerations.</p>	<p>VIALE:</p> <p>The company will not default; it has taken steps to maximize liquidity and has alternatives to call upon if needed.</p>	<p>FUNCTIONAL:</p> <p>The Supply Chain is working. Products and services are available (almost) regardless of cost, using extraordinary measures (air shipments, repositioning inventory, etc.) if required.</p>	<p>SAFE AND AVAILABLE:</p> <p>Customers feel safe availing themselves of a good or service. They do not feel at risk in a physical environment, and they feel that their data and financial information is secure when transacting in a remote environment.</p>	<p>SAFE AND CARING:</p> <p>The company is seen as concerned about health, diversity and well being and is taking care of its people.</p>
STAGE 2	<p>COMMITTED:</p> <p>The company is viewed as serving employees, customers, and other stakeholders in a balanced and thoughtful way. It considers the complex and often conflicting obligations it has and demonstrably seeks to strike the best balance possible.</p>	<p>STABLE:</p> <p>The cash crisis has passed. The company has sufficient cash flow, can meet its obligations, and if stressed by unforeseen challenges, can react quickly with options. The company is positioned to take market share.</p>	<p>RELIABLE:</p> <p>Goods and services are available when and where customers want or need them on a consistent basis and without extraordinary or heroic measures. Customers and suppliers do not need to be concerned and their trust is reflected in sales.</p>	<p>RELEVANT AND NEEDED:</p> <p>Now that the 'newness' of the situation has worn off, the product or service is a part of the normal course of customers' daily habits. If it was part of their lives pre-COVID, it still is. If COVID caused a customer to trial the good or service, it has now moved into their normal.</p>	<p>PROACTIVE AND CREATIVE:</p> <p>The company is leading and influencing direction, not just reacting to outside factors.</p>
STAGE 3	<p>LEADING:</p> <p>The company is seen as a positive change agent. It is recognized as a voice of reason and wisdom in guiding positive change in its industry, wider commerce, and the world at large. Seen as promoting social cohesion and reducing societal inequalities.</p>	<p>OPTIMIZED AND FLEXIBLE:</p> <p>The company has driven its cost of capital down to appropriate levels while having a plan for best, most likely, and worst-case scenarios. It has explained this to all appropriate parties and inspired confidence. It has articulated a growth plan that is logical and supported.</p>	<p>ADAPTABLE AND REDUNDANT:</p> <p>There is a viable plan for key things that could go wrong such as the unexpected shutdown of a location or a key supplier. While this flexibility has a price, the supply chain is lowest appropriate cost, adjusting for risk.</p>	<p>VALUABLE AND ALIGNED:</p> <p>The confidence crisis has passed, and customers have choices. But they do not exercise them because they view the product or service, and the company providing it, as part of a valued relationship.</p>	<p>EXCITING AND GROWING:</p> <p>The company is positioned to grow and prosper. Its people feel secure in their roles, and personal prospects are bright.</p>

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Just as before the pandemic, of course, the future workplace will look different across diverse industries. Manufacturers will differ from retailers, who will differ from software developers. What they all have in common, though, is a need to attract and retain the best talent. The war for talent endures and is, arguably, even more intense, despite elevated unemployment figures.

The premium for talented women and men who have the mind and skill sets necessary to drive business performance in a disrupted environment is greater than it's ever been. Businesses need workers with the ability to collaborate quickly in fluid and non-hierarchical environments, to demonstrate a growth mindset and to deal constructively with ambiguity and uncertainty.

At the same time, employees' expectations of their employers have never been higher or more complex. The 2021 Edelman Trust Barometer showed that workers have invested more trust in, and are therefore looking for more leadership from, their employers than they are government, media, or NGOs.¹

Younger generations, in particular, want to work for a company that reflects their values. Work must have meaning. And given the disproportionate toll that COVID-19 has had on the most vulnerable sectors of societies around the world, demands for alignment on Environmental, Social, and Governance (ESG) issues have taken on greater urgency in the past year. Instability in the U.S. presidential transition has also increased workers' demands for more vocal CEO leadership on political issues.

For much of the past decade, employees have also gained significant leverage as a result of tight markets for the most in-demand labor and skills. While the economic impact of the crisis may have taken some of the froth out of this market, the best talent will always remain in high demand. And the enforced experiment with widespread remote work has also reset many employees' expectations about how and where they work. Connective technologies and tools—like Zoom and Slack—have empowered many to challenge a return to the status quo ante.

As a leader, the question becomes how to respond to these increasingly vocal demands from an empowered employee base. How do you align with and communicate a broader purpose, particularly when there may be multiple and contradictory expectations from within the organization? What is the right structure of work, balancing demands for flexibility, productivity, cultural perpetuation, team building, and development (particularly for younger staff)?

Overlaying these considerations is the disruptive reality in which all businesses today must operate. New technologies accelerate the pace of change at a rate never before seen in history. New business models and entrants upend the established order. The gaps between winners and losers are widening. Disruption is the new economic driver.

1. <https://www.edelman.com/trust/2021-trust-barometer>

Building an agile and growth-oriented culture with best-in-class talent is essential in responding to these challenges. In a recent global survey, AlixPartners found that almost 60% of c-suite executives are concerned that a talent gap at their organization impedes their ability to effectively navigate this disruptive landscape. However, how do you renew and improve a culture at pace to meet these demands but retain those elements which still function well and differentiate your organization?

There are, of course, no simple answers to these questions. But what is clear is that so much more is being expected of leaders. Leadership itself is being transformed. And businesses across every industry are finding themselves having to transform at unprecedented speed. Crucial to the success of these transformation efforts is achieving cultural change. Companies increasingly need a workforce that embraces uncertainty, can adjust swiftly, and rejects a fixed orientation. But culture frequently proves the most stubborn and elusive to change.

Culture is the key element of sustainability, and it's in turn driven by the behavior of leaders. Having your leaders on the vision and strategy of the organization is essential in building a resilient culture.

These times require mature, evolved, and decisive leadership to affect necessary change. Transformative leaders are authentic, meaning they live in alignment with their mission and purpose, and inspire others to do the same. Transformative leaders are best suited to deal with disruption because they simultaneously serve as strong role models and culture carriers while creating the inclusive environments employees demand. The best leaders communicate clearly, consistently, and frequently, and are role models and cultural change agents who create organizations that attract and retain the very best talent. If you're not bringing others along on your journey—inspiring and guiding them—then any transformation is doomed to failure.

Lean in. Be bold. Your people expect it of you.
Your business demands it.

For more of our insights on leadership through disruption, please visit
[ALIXPARTNERS' TRANSFORMATIVE LEADERSHIP](#)

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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 take 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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