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Seven Ways Leaders Can Prepare for Post-Pandemic Times

Avoid knee-jerk reactions when creating a plan for the future.

"It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of light, it was the season of darkness, it was the spring of hope, it was the winter of despair." This opening line from Charles Dicken's *A Tale of Two Cities* captures the contradictory times we live in. It also describes how organisations may react to the coronavirus pandemic in very different ways.

Take fictional Company A. When the pandemic occurred, fear permeated its top echelons. For years, its leadership had bought back shares to improve its financial metrics and warrant fat bonuses for executives. This reduced its financial leeway, prompting the CEO and the CFO to go on a major cost-cutting spree, including the cancellation of all training and development activities. They also used the turbulent economic environment as an excuse to lay off many employees they didn't like, without any explanation. In light of these actions, a doomsday atmosphere prevailed.

At fictional Company B, senior executives reacted very differently. Granted, with the lessons learned from the last recession, they had created strong financial reserves, which enabled them not to lay off anyone. Instead, they eliminated overtime hours, put in place sabbatical programmes and made use of government support schemes. They instituted a salary freeze and downsized their own remuneration. Knowing that recessions offered exceptional opportunities to pick up high-quality talent, they kept their eyes open. They would not fall into the trap of having a shortage of people with key skills. Although it would have been easy to cut training, top management decided to keep key elements of it to better prepare its workforce for the future.

Best practices when creating your action plan

Which company will be in better shape when the economy turns a corner? Will it be Company A or B? What are the variables senior executives need to keep in mind to navigate through a crisis? What should they pay attention to?

To emerge in a position of strength when economic conditions improve, here are the practical steps they need to take, based on my decades of experience as a management coach and consultant.

Build scenarios

With so many unknowns, companies would be wise to build different scenarios. They should sketch out at least three cases, from the best to the worst. Assessing the effects of these scenarios on the company and its rivals will help the firm identify vulnerabilities and areas requiring immediate action. Furthermore, it will help them communicate to the entire organisation the justification and the motivation for the measures to be taken in response to the crisis.

Consider divestments and acquisitions

Divesting noncore businesses can help a firm concentrate on what it does best. Apart from divesting, acquisitions during a recession can also create great value, as the costs will be much lower. Smart companies will have slack in the system, in the form of cash and liquid resources. For them, an economic downturn presents a superb opportunity to strengthen their position. Playing a waiting game may compromise a firm's ability to capitalise on opportunities when the inevitable rebound occurs.

Emphasise meaning and culture

In these difficult times, top management needs to provide employees with a sense of meaning. Part of this process involves reminding them of the bigger picture – what is it that the company is trying to achieve. Through their actions, senior executives should demonstrate that they care, and we are all in this together.

Economic downturns are critical periods to revisit and reinforce a company's culture. This includes re-emphasising the core values and behaviours that employees should incorporate when they make key talent decisions such as hiring, terminating, promoting and developing.

Involve your employees in co-creating your firm's turnaround plan

An excellent way to deal with a potentially flagging morale is to engage employees in helping turn things around. It is motivating for employees to feel that they have the power to make a difference. Top management should encourage employees at all levels to provide actionable ideas that could save the company money or better prepare it for the future. Furthermore, if a significant reduction in work hours is unavoidable, let executives at different layers of the organisation take on a lead role in designing the best way to go about it. Engage them in developing plans to move people where they are needed most.

Be cautious about layoffs

Even in major downturns, it is unwise to rush into laying off people. If at all possible, it is much better to follow the more ingenious ways of Company B. If a reduction in workforce is inevitable, it should be done in a dignified way. In their panic, the senior executives at Company A lost sight of the human side of the enterprise. A company with such a callous handling of layoffs is likely to end up with employees suffering from "**survivor syndrome**". Symptoms include fear, anger and a lack of loyalty and commitment due to perceived unfairness. At the earliest opportunity, high potentials will run for the exit.

Don't neglect training and development

Resilient organisations don't stop training and development in major downturns. They look at the situation as a great opportunity to upskill capabilities and preserve morale. With proper training and development, employees will be able to understand the potential shifts in business, assess what future technologies are needed to increase efficiency, reduce costs and make the business more competitive. Developmental programmes often help the best ideas and most innovative projects to emerge.

Communicate, communicate, communicate

Communication is a good business practice at all times. But in crises, managing the rumour mill becomes key. Of course, top management has to walk a fine line between what can and can't be said. But when in doubt, it is best to err on the side of transparency.

Despite the stress that potential layoffs may trigger, this is not the time for executives to retreat into their offices. They need to commit to open, consistent and honest communication in order to build trust. They also need to deal with people's feelings. Being empathic and appreciative of employees willing to take on greater responsibilities reinforces the spirit of loyalty and confidence – intangibles that could take the biggest hit in times of crisis.

Rising to the occasion

A natural response during difficult times is to adopt a tunnel vision. However, crises are exactly when leaders need to challenge their old, entrenched habits and be curious about the many opportunities that may come up. The firms that can respond proactively when others are merely reacting will be the ones left standing after the storm.

Company B adopted such a proactive stance. Its executives had learned from past experiences, resisted panic reactions and focused on the long term. They also continued to invest in their people, helping them learn skills so they could adapt to the new business landscape.

True leaders ensure that their firm will come out of crisis re-energised and prepared to face the future. They find the courage and the conviction to make the fundamental changes needed to survive this dramatic downturn. They also realise that culture and talent management are more important than ever. This exactly the kind of leadership that will pass Warren Buffett's test: "Only when the tide goes out do you discover who's been swimming naked."

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