



The Essence of Agility and Resilience After Covid

Navigating unprecedented levels of uncertainty takes a careful combination of technology and talent.

One burning question dominates our recent conversations with executives: *What's next?* Their challenges differ. Some are working frantically to recover ground lost during the initial waves of the Covid pandemic. Others are trying to sustain growth while keeping an eye out for future disruptive events. But all seem to realise that the last 18 months were an organisational and individual turning point. The already-eroding stability that existed before Covid has been decisively overthrown.

In these conversations, two words stand out: *agility* and *resilience*. Leaders at every level know these two attributes will be key to survival, not to mention success, in the short- to medium-term (and possibly indefinitely). They are looking to us – and INSEAD – for help in becoming more agile and resilient. In other words, they are asking the right questions. But we also fear that these two words are at risk of becoming meaningless through repetition. (To clarify: How we use the word agile is not to be confused with Agile, a specific working style coming out of software development that **is not for everyone**.)

Stepping back for a moment, let's examine what agility and resilience mean for companies in the here and now. This isn't a semantic exercise. It is critical to understand the "what" and the "why" of these concepts, so that the "how" of building and

promoting them can be executed effectively.

Existential uncertainty

Let's start with the reason we are having these conversations in the first place. The sense of mounting uncertainty that pervaded the pre-Covid years, due to disruption and fast-changing consumer expectations, has exploded during the pandemic into something almost existential. The future, always unclear, has never been so unknown.

Existential uncertainty demands that companies stretch themselves loose of past footholds. They must develop the capability to interrogate and revise their value proposition and business models. The essence of agility is navigating these fundamental transitions without plunging into free-fall. Agility resolves the ambiguity that arises from existential uncertainty. It consists of the courage to ask hard and essential questions, and the skill to guide those inquiries towards the formation of flexible strategic directions.

Agility is also intertwined with humility. Agile companies are adept at innovative techniques such as rapid iteration that are responsive to consumer feedback rather than organisational priorities and politics. Knowing that the answers they need may not be available in-house, they use open innovation,

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customer co-creation and other collaborative practices to scan for knowledge and ideas outside the boundaries of the organisation.

When agility becomes central to the firm's culture and business processes, the result is organisational resilience. Not resilience in the sense of mere survival under adverse conditions, but as our colleague **Narayan Pant** defined it in an **INSEAD webinar** last year – the ability to bounce back stronger than before, to *grow* from adversity.

There are opportunities within uncertainty that only agile companies can perceive and exploit. The disappearance of old rules and expectations also erases long-assumed limitations. Who could have predicted, for instance, the unprecedented biotech breakthrough of mRNA Covid vaccines going into arms after less than one year in development? But businesses must undergo many rounds of rapid skin-shedding in order to grasp these previously unthinkable possibilities.

The role of technology

Seeking ways to improve their organisation's agility, most executives will lean heavily towards technology, whether it's moving more IT infrastructure to the cloud, investing in data analytics, or another tech solution they hope will propel the firm forward. And it is true that Silicon Valley, mecca of the tech industry, is home to many of the world's most agile organisations.

Moreover, there's no doubt that emerging technology is one of the major enablers of agility, when it empowers companies to serve customers better, faster, cheaper or at scale. It can also help them embed agile processes internally, through tools (such as Slack) that narrow the gap in efficacy between in-person and remote collaboration.

On the other hand, the most technologically advanced solution is not always the most agile one. For example, the pandemic has forced organisations to accept that work can proceed – and **productivity can even increase** – outside co-located workspaces. But as the world shifts into the next stage of managing the pandemic, it's become clear that the future of work is neither physical nor all-remote but some combination of the two.

Companies will have to be fluid and experimental as they evolve a hybrid model that works best for their people and the needs of their business. Technology can enhance this exploration, e.g. through **algorithm-aided organisation design**. But some companies' ideal way of working may be to bring most people back to the office most of the time. Others may choose to abandon conventional offices for hot desking, or even allow employees to work

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from anywhere. There are no universal answers; no technology can make the choice for you.

In certain cases, uncritical and wholesale adoption of emerging technology may even carry unintended consequences that not only impede agility but also have negative consequences for society. **As Amazon discovered**, using AI to crawl job candidates' CVs can be wonderfully efficient, yet still regrettable if recruiting algorithms obey sexist biases in the training data.

Agile companies are attentive to the potential downsides of untested technologies and sceptical of tech boosterism in general. We would even recommend that any organisation whose strategy centres on technology set up dedicated, cross-functional teams to look deeply into ethical and sustainability implications. The teams should not act as commercial bottlenecks – a sure way to win a reputation as meddling do-gooders – but rather work collaboratively with the business side, with performance KPIs to fulfil.

Technology + talent

Generating and maintaining agility requires not just technology but also the right human capital. Before leveraging technology, organisations should invest in cultivating leaders with the skillsets and mindset necessary to confront the existential challenges to come. The talent pool – both inside and outside your organisation – has no shortage of possible future-ready leaders. But seeding your entire organisation with these competencies may require proactive, imaginative scanning at all levels of the hierarchy for high potentials.

Indeed, the most far-seeing and innovative leaders we've spoken to recently are increasingly concerned about upskilling and holistic growth, far beyond their core business functions. They want to learn as much as they can about business, leadership and technology. And they are increasingly recognising that in a world as uncertain as ours, learning must be a lifelong core competency, rather than sporadic or a one-off. For companies keen on building agility and resilience, talent development is a great place to start.

Watch "Emerging Technologies and the Future of Business. What Next?", a recent webinar featuring the authors of this post.

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