
The Six Biggest Post-Lockdown Challenges for Organisations



By [Lee Seok Hwai](#) , INSEAD Knowledge

Businesses and other institutions will be judged on how well they adapt to the post-Covid reality.

Gradually, apprehensively, entire nations are emerging from the bunkers after bending the coronavirus infection curve. Millions of people are once again heading back to offices after months of enforced isolation at home, many of them wearing masks and armed with hand sanitiser. Signs and even **robots** reminding people to distance themselves from others are everywhere. A new normal is taking shape, and the pressure for safeguarding human lives and supporting workers and morale is shifting from governments to businesses and organisations.

The upshot is that organisations will effectively be competing on how well they respond and adapt to the pandemic, says [Charles Galunic](#), INSEAD Professor of Organisational Behaviour. “The government has done some of the big work, and now the responsibilities are moving quickly down to the organisation to try to figure out how to resolve economic issues, supply chain issues, and also health and safety issues,” he told participants of a recent webinar in the INSEAD series, [Navigating the Turbulence of Covid-19](#).

Galunic identified six post-lockdown issues that organisations are grappling with: design and risk mitigation, remote working, control, connection, time horizons and versatile leadership.

Dilbert's revenge

Setting aside immediate concerns over bleeding balance sheets and dried-up cash flow, companies find themselves becoming the custodians of employee health. Beyond temperature checks and social distancing, said Galunic, more extensive job and office redesign in line with health recommendations will become de rigueur.

“Organisation designers or planners will have to go in and look at the density of different spaces of offices if people come back at all,” said Galunic.

“There's a lot of attention to barriers and sort of a revenge of **Dilbert**. We'd gotten away from the cubicle and moved to open-space offices with sofas and lots of communal spaces. But now we're going to have to reintroduce barriers of different sorts.”

Other mitigation may revolve around measures like staggered lunch hours to prevent congestion, and splitting teams with a focus on risk mitigation for key resources or specialisations. “In our offices at INSEAD, the entire OB (organisational behaviour) group sits in one area,” Galunic remarked. “You can imagine if three of us all teach a high-volume core course, you probably wouldn't want those people to be in regular contact with each other, because if all three of us have to be isolated, then it may have knock-on effects for the organisation.” The trouble is that organisations traditionally group specialisations together. That may have to be temporarily undone.

And then there is the matter of **testing, tracing and isolation**, seen as the key to avert a second wave of the pandemic – and more damaging lockdowns – until a vaccine is developed. In this aspect, too, some organisations are taking charge instead of relying solely on governments. **Amazon**, for one, is testing its warehouse workers, even building its own diagnostic labs for the purpose, after being accused early in the outbreak of not doing enough to protect its employees. Even smaller companies like restaurants are getting in on the act, with a willingness to invest in testing equipment and keep employees safe. While the motivation is there, it will take expertise and resources to have testing within companies, at a time when company revenues are drying up.

Remote working

Remote working poses another challenge for organisations. Galunic pointed out that WFH is “a little bit of a luxury”: A new [study](#) by the University of Chicago found that only 37 percent of jobs in the United States can be done from home. Nonetheless, whether you [love it](#) (No commute! More flexibility!) or hate it (lack of social interactions is a drag), remote working is [set to become bigger](#) than it ever was pre-Covid, going by survey after survey of executives across industries and national boundaries who cite health concerns and cost savings from a reduced real estate footprint.

The organisational challenge, said Galunic, will be to make sure that there's enough resources and tools and the right processes for remote work. “The technology is there. It's people having access to it and the systems to put it all together,” he said.

Control and centralisation

In a snap survey of some of INSEAD's EMBA and Executive Education participants, a number of them observed that empowerment in their organisations has reduced as senior executives now want to be involved in all decision making. Galunic acknowledged that centralisation of control is a natural reaction to a crisis. Studies have shown that it enables organisations to move faster with greater clarity, and in some cases, more reassurance and discipline. The flipside, however, is a “loss of learning” for executives as the rank and file “freeze up” and stop giving feedback to the top.

Tightening control in a crisis, in short, is a delicate balancing act, Galunic said. His advice to senior executives: “Can you specify a timeframe? When will authority be relatively pulled in more tightly and when will it perhaps bounce back? So people have a timeframe on this. Secondly, can you clarify decision rights? What things will belong more exclusively to the centre and what things you absolutely need approval for? What things do you expect people to make local decisions on?”

In all cases, the onus is on leaders to explain their decisions, stressed Galunic. The best way to frame it is from the lens of the common good. “For example, people in departments or areas that make requests for resources should preface their requests with, you know, this new idea helps the whole of the organisation,” said Galunic. “Most of all, I think it's important for leaders to make sure that they're updating themselves, that they're

continuing to pull up information and make sure they know the pulse of the organisation, what's happening in different places in the organisation.”

Connection

You only have to look at the recurring themes of Covid-19 – social distancing, split teams, remote work – to find yourself somehow caught up in what Galunic called a “massive centrifugal force”. Many people are missing connection with others. Random corridor catch-ups and water cooler conversations have disappeared overnight. The richness of social exchanges is now reduced to scheduled meetings over Zoom. Besides regular communication, what can organisational leaders do to mitigate this sense of isolation?

Galunic advised leaders to develop their narratives. “I think it's important to develop a narrative, your story about the pandemic and the experience of the organisation. What is the story that the organisation has for how you hope to get out of this? What's the strategy for emerging from this? Do people know how this is connected to the culture you've spent years developing?”

“This is the time to leverage some of those institutions that you've built and to use those to help bring people together during the pandemic, and give people an opportunity to show care, to show involvement and sacrifice.”

Dual time horizons

Managing the immediate shock of the crisis should not be at the expense of the long-term viability of the organisation. Galunic talked about exercising “**organisational ambidexterity**” to manage for the future, using the shock as an opportunity to rethink the basics, explore and learn. He cited BMG, one of the world’s largest music companies until the late 2000s. Recognising the threat and opportunities from music digitalisation, BMG regrouped in 2008 and has since morphed into a top digital music company, focusing exclusively on digital rights management and distribution.

“What companies can do about this (crisis) is to understand that it's **not an either/or question**, managing the crisis and managing the future.”

Backstage leadership

The linchpin of all the above is organisational leadership. This is a time when leaders need to be particularly versatile, able to cope both on the “frontstage” and the “backstage”, said Galunic. Frontstage requires managers to have good presence and style, to tell a story well. But away from the spotlight, leaders also need to be good at the backstage work of guiding and shaping core processes of the organisation and making sure that those function well. They will be aware of the difficulties employees are having, and are brutally honest about what's going on.

Commentators around the world have applauded [Jacinda Ardern](#) for her inimitable communication skills that manage to combine brutal honesty about the facts and believable, uplifting hope for a good outcome. To Galunic, Ardern and other successful leaders, like Indra Nooyi during her tenure as PepsiCo CEO, excel on both frontstage and backstage.

Galunic believes that while the coaching boom and introspective turn in executive education these past 20 years have meant that many leaders have good tools (“mirrors”) for frontstage leadership, they are missing a guide on managing key backstage strategic processes, a hole his recent book, [Backstage Leadership: The Invisible Work of Highly Effective Leaders](#), seeks to fill.

“Senior leaders understand that things like financial reporting and supply chains have to work, processes that they oversee but do not directly manage. However, they need to directly manage key processes related to the business strategy such as sense-making, mobilisation, structural balancing, cultural and capability development.”

For this crisis, it’s ultimately vital that we have versatile leaders who can work across the frontstage and backstage. “Leaders who will do the best through this moment in history will be working across those two stages – being competent frontstage, with powerful moments of inspiration and hope, but also working hard in the backstage, making sure they understand what the reality is in those key strategic processes that they have to own and then making them better.”

INSEAD’s webinar series “Navigating the Turbulence of Covid-19” features expert inputs on key issues surrounding pandemic control and current countermeasures around the world. Join them [here](#).

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About the series

Covid-19

Covid-19 is no longer a global health emergency but its impact on public health, the global economy and the future of work cannot be overstated. INSEAD's thought leaders — both faculty and their close collaborators in the practitioner and entrepreneurship communities — give their informed perspectives that could help us not just weather the crisis but emerge from it stronger than ever.