

Covid-19 **WIDENS** the **LEADERSHIP GAP**

L&D teams have an opportunity to rise to the challenge of closing the widened leadership gap.



BY LARRY CLARK
LEADERSHIP

We've been hearing for years that the practice of leadership is "in crisis" and we need to develop leaders differently, that the current times are "unprecedented", leaders are not keeping up, and we must act with urgency for our organizations to survive the leadership gap we are experiencing.

And then we had a pandemic. As organizations forge their way amid continued Covid-19 disruption and accelerated digital adoption and transformation, we likely can all agree that demands on leaders have intensified. While many leaders have excelled under these conditions, others, especially midlevel managers and leaders, have faltered.

But there are many examples of organizations that are thriving. Some had the sheer luck of being in a market that rapidly expanded (e.g. streaming entertainment or online shopping). Others, though, didn't experience these favorable conditions, yet displayed a unique

type of leadership that enabled the agility to pivot - questioning the past, managing their present, and creating a new future for themselves. We wanted to explore - in a rapidly evolving business landscape - what leadership factors were making a difference so their organizations could thrive.

Our report, which surveys 47 senior talent and learning leaders across North America, Europe, APAC, India, the Middle East, Australia and New Zealand, found that requirements for leaders in all industries have rapidly shifted, resulting in a widening gap between those leaders equipped for these new realities and those who are not. As such, leaders need to think differently about both business strategy and managing people to navigate the next phase of Covid-19 and successfully build for the future.

FORCES OF CHANGE

We began by asking about the forces affecting their organizations. Some of the issues were very specific to markets. For example, the shift in demand for products and services converged with supply chain breakdowns, creating roller-coaster patterns of revenue and general inability to forecast the business. As a result, some organizations saw steep reductions in revenue, shutdowns and furloughs, while others saw huge increases and struggled to meet demand. In each case, the conditions were expected to continue in the months ahead.

One unique pattern emerged, however. There were several organizations who talked about how they have offset losses with gains, making strategic pivots quickly to capitalize on new growth opportunities in current or adjacent markets. These pivots often leveraged digital solutions that enabled either a new way of doing what they already do (e.g. servicing customers digitally instead of through a field service organization), or even creating a new business model or market opportunity through digital.

And speaking of digital, remote collaboration capabilities became the lifeblood for many industries as lockdowns were put in place and employees were encouraged to stay home. With that, many companies had to reinvent their businesses on the fly, learning that they were able to make the transition to a digitally enabled, remote workforce much faster than they thought.

Similarly, employees quickly adapted to working

Organizations that handled the transition well have doubled down on employee well-being. Organizations are demonstrating a greater responsibility for their employees and are taking steps to support their emotional well-being. Leaders are "seeing" their people - having honest and more frequent conversations with their teams. With many employees working from home, these leaders are finding ways to engage and motivate employees virtually and check



from home, reporting that they were able to be more productive and, overall, were happy with the experience. At the same time, this introduced new stressors for workers, as home life and work life became one, in a climate where families were quarantined together. In spite of the challenges, remote work is seen as a viable solution for the future, with added benefits like reducing an organization's carbon footprint, changing its real estate requirements, and opening up access to a bigger and wider talent pool. Implications for leaders in an emergent world: What does this new reality mean for leadership?

in regularly to understand where people are emotionally.

Next, leaders who thrived did so by adapting to the increased pressure and responsibility. Transformation is happening in all parts of the organization, leaving leaders to reassess their priorities and adapt to changing conditions. Many global firms have the added complexity of ensuring a good balance between global requirements and local needs. At the same time, the dispersal of the workforce has meant decision making has shifted to a streamlined and more decentralized approach that



empowers leaders at all levels. Leaders now need to pursue a set of conflicting priorities, creating a difficult tension to balance. Leaders who struggle see the tension as a sign of something that is broken. Those who thrived see the tension as natural in the system – something to monitor and manage.

Last, more purposeful, committed cultures are on the rise, causing leaders to step into a role they might not be fully comfortable with. Instead of the disruption causing disengagement in the workforce, organizations have seen their missions and purpose reinvigorated. People have stepped up to find solutions to help their organizations overcome the challenges and thrive. A sense of purpose and pride has unlocked discretionary effort and resilience. Additionally, work has become more personal as internal boundaries and silos have been broken down, leaving the workplace with a stronger sense of community. These cultures require leaders to build more trust and deeper connections.

To help close the leadership gap and help leaders move forward post-pandemic, organizations need to focus on three pillars of

specific skills and capabilities: leading through uncertainty, cultivating trust and reskilling for the opportunity.

LEADING THROUGH UNCERTAINTY

The first pillar, “Leading through uncertainty”, is the “sense-making” pillar, because it is as much about being able to make sense of what is happening around them and to them, as it is about guiding others through it. The number one challenge for organizations coming out of the pandemic is the lack of answers. To help leaders deal with this uncertainty, L&D teams must develop leaders who aren’t bothered by ambiguity, who can process new information and rapidly adapt when the dynamics are changing, and who are able to make decisions in a world of unknowns. Further, leaders must take on a growth mindset, conditioning themselves to question the mental models they’ve been working under, and removing any aspects of those models that are no longer relevant. Underlying all of this is the need to let go of any expectation of certainty. Leaders need to become more comfortable with the idea that they’re not always going to have clear answers to provide and that they won’t always

be able to project certainty.

CULTIVATE TRUST

The second pillar, “Cultivate trust”, can be thought of as the “connecting” or “engaging” pillar. During times of disruption and uncertainty, it is important for leaders to create the emotional and relational foundation needed to connect with and engage with employees. This starts by creating a climate of purpose and belonging – providing a “north star” that connects their work to the larger purpose of the organization and the social good, while providing the autonomy and empowerment to move the team toward that purpose. Additionally, leaders need to value differences – moving inclusion into the way work gets done. Employees want more than to have their differences “tolerated” by the organization. They want the organization to leverage their uniqueness to make the organization better. By connecting to purpose and valuing differences, leaders can cultivate trust and demonstrate empathy and authenticity.

RESKILL FOR OPPORTUNITY

The third pillar, “Reskill for opportunity”, is the “business-building” pillar, because it focuses on propelling the business into the future. Organizations need to pivot more quickly to adapt, so leaders need to be forward-thinking about the business and about talent. To make that happen, leaders should focus on building an environment where teams naturally engage in the innovation process continuously. Interestingly, many leaders who have highly innovative teams aren’t really all that innovative themselves. Because it’s less about having the Big Idea, or driving the structure and processes of innovation, and more about creating the culture of psychological safety, curiosity and experimentation that allows innovation to become an organic, ongoing part of the environment. Also, many of the changes we are seeing with the pandemic are either driven by – or heavily dependent on – technology, data and analytics.

Leaders need to become conversant in key digital trends, and advancing the use of technology and analytics to improve the business or even create new business models.

Threaded through all of these are the requirements of leading virtually. Leaders today need to manage performance in new ways, such as shifting from tracking hours to assessing outcomes. They also need to lead collaborative, virtual work by helping employees build discipline and structure around new ways of working. Leading virtually is not a skill all leaders have, but it can be built alongside these pivotal capabilities.

Despite the challenges of Covid-19, the crisis has opened up many exciting opportunities around accelerating digital transformation, serving new customers and markets, making organizations more purpose-driven, implementing new models for working, and reimagining the workplace. The leaders who will thrive in this environment will be able to let go of past assumptions and embrace emerging paradigms. We believe this moment will force organizations to begin thinking differently about their leadership development strategy – which capabilities are most important to thrive, and what’s the best way for leaders to develop these capabilities. Overall, we see a huge opportunity right now for L&D to help their organizations close this leadership capability gap. The crisis is creating a high bar for leadership and equipping them to reach it. ■

LARRY CLARK is Managing Director of Global Learning Solutions at Harvard Business Publishing Corporate Learning in the United States. He leads the team of learning solutions managers around the globe who partner with clients to design and develop learning experiences unique to each organization’s needs.