



Leadership styles of the future

How COVID-19 is shaping
leadership beyond the crisis

We live in times of exponential change.

Our economy is facing more frequent disruptions as a result and mastering these challenges has become a critical skill.

COVID-19 is disrupting our lives in ways no one would have thought possible mere months ago.

How does the dealing with a crisis shape the “beyond”?

Introduction

The social and economic crisis caused by the current COVID-19 pandemic is an extreme but relevant example of the types of challenges leaders face today. Like any other crisis, its disruptive force and major existence-threatening impacts were entirely unexpected.

Mastering crisis management requires a leadership style that would be perceived as an overly directive, actionist one-leader show during business as usual. In times of uncertainty, however, quick decisions are essential; these exceptional circumstances call for a more human-centric and radically driven leadership style.

In this article, we analyze the attributes leaders need to successfully lead their organizations through the three typical phases of a crisis.

Our further analysis shows how maintaining a certain style of leadership will enable leaders to tackle upcoming challenges and prepare for the future.

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| 2 | “Respond” | 6 | Take a next step |
| 3 | “Recover” | | |
| 4 | “Thrive” | | |



Despite appearing unexpectedly, crises tend to follow a clear pattern of three phases
The common thread in all three is working towards the “next normal”

If you put the “next normal” at the center of every decision, any crisis can become an opportunity to affect progress.

1 Respond

Address the acute situation and
manage continuity



2 Recover

Learn and emerge stronger



3 Thrive

**Prepare for and shape the
“next normal”**





To successfully lead through a crisis, leaders must first understand its unique characteristics

All crises have three things in common: they demand a response; they have an unprecedented impact; and they tend to unfold in an unordered fashion.


We characterize crises based on two factors:


1. Degree of structuring – ordered vs. unordered


 **Ordered circumstances** follow an established structure. Empirical values provide orientation and right answers can be determined based on the facts.


 For **unordered circumstances**, there is no blueprint. Even looking beyond the boundaries of your own organization can generally only act as inspiration.

2. Required speed of (re)action – slow vs. fast

 **Slow:** Complicated contexts require analyses and thus expertise. Investigating several options usually leads to one “good practice”.

 **Fast:** Simple contexts require straightforward management and monitoring. Stability and repetition allow for a “best practice” approach.

 **Slow:** Complex situations allow for trial and error. They require patience and flexibility to build for guidance in unpredictability and flux.

 **Fast:** Preparation is impossible and influencing factors shift constantly. Leading in chaos requires fast decisions that stabilize the organization.

Complexity Matrix (see D. Snowden & M. Boone, 2007)



Responding to the uncertainties of a crisis poses major challenges

The most urgent objective of any leader is to safeguard the future of the organization.

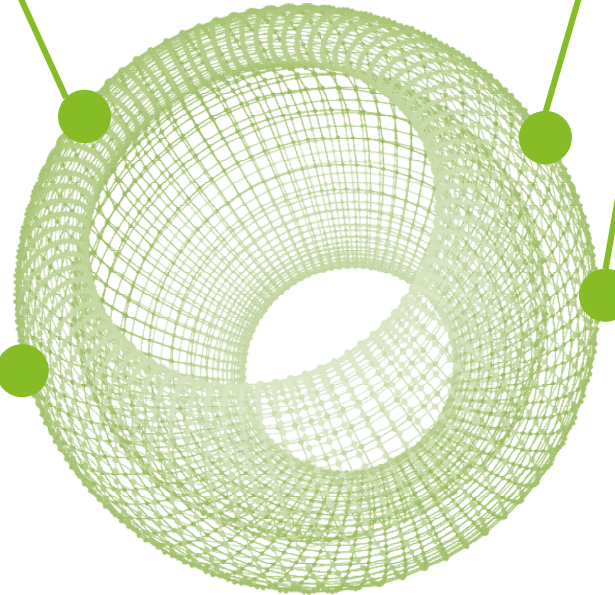
In addition to day-to-day business, leaders face numerous challenges in a crisis:

Stabilize the organization - fast

For most organizations, business as usual is no longer possible. To guarantee the safety of employees and ensure financial stability, leaders need to make quick decisions. Results might be a stop in production, remote working, drawing down available cash resources or even laying off staff.

Remain true to the DNA of the organization

A crisis may lead to surprising moves that call into question the perception of what you stand for as an organization. Particularly in these circumstances, you need to rely on established truths like the defined mission, a feeling of belonging and the organizational culture ~~serve~~ as an anchor.



Accept the social impact

In a crisis, people often revert to Maslow's Hierarchy of Needs and focus on basic necessities such as safety, security, and health. How you collaborate with the ecosystem, clients and employees will need to be adapted accordingly.

Face the uncertainty of the crisis

Since it is impossible to predict how a crisis will evolve, individuals and companies experience uncertainty, doubt and fear.

- As **leaders of an ecosystem**, you have to observe how each player is impacted and react even though you may not be able to foresee the ripple effects of that reaction.
- As **leaders of a company**, you have to be quick and confident in your decision-making, despite not having a full set of facts.
- As **leaders of a team**, you have to navigate your team in an unprecedented situation while also acknowledging and counteracting efficiency losses.
- As **individuals**, you have to face your own personal fears and concerns

A crisis brings organizational ambidexterity to a new level

Though you need quick decisions today, it is also crucial to be considered and clear about the “next normal” of tomorrow.

During the first phases of a crisis, we rethink what is normal.

The “next normal” is the chance for organizations to emerge from this crisis stronger than before.

New experiences lead to new expectations

A crisis demands change, even as every day brings new circumstances: for example, bold companies define their social responsibility by ensuring the supply of personal protection equipment while others just sit still.

Necessity is the mother of invention and operating differently should spark innovation, giving businesses the opportunity to understand what they *can* do:

Those who are already reinventing themselves

- **raise expectations** on innovations that will define the “next normal”
- **set a new benchmark** for other players in the market.

“Next normal”

These **market shapers** - that endeavor to shape the future of their industry rather than adapt to it - **will emerge stronger** and **create even more value and positive societal impact** than if they simply bounce back to the status quo.

The volatility of a crisis creates opportunities.

- Structural market changes and reshaped markets trigger new business models
- New experiences render people more open-minded.

Setting a course towards the “next normal” needs to happen now.

Defining the “next normal” and using it as a basis for deliberations in the “Respond” and “Recover” phases is the biggest of all challenges.

When a crisis hits,
leaders need to quickly intuit
what the organization needs to survive
– and how they can best address these challenges.

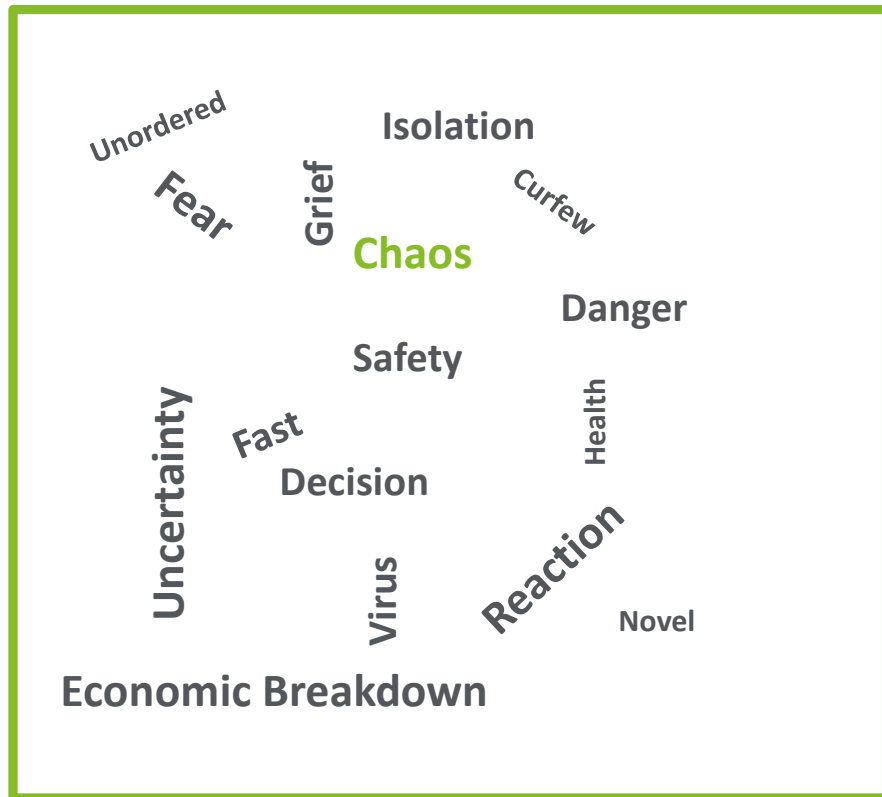
**What kind of leadership style works best during
which phase of a crisis?**

The “Respond” phase is chaos

Leaders need to balance tough decisions with empathy.



Leaders are called to respond to economic demands as well as the emotional emergency with the same determination. Here are six attributes to help master the chaos.



- | | | | |
|----------------------|--|--------------------|--|
| Think differently | | Pragmatic | Limiting damage is the first priority and calls for a pragmatic approach to achieve quick results. |
| | | Decisive | Having the courage to decide based on imperfect, inconsistent information is critical. |
| Act differently | | Bold | The survival of the organization calls for courageous, confident and sometimes unpopular moves. |
| | | Empathic | Expressing empathy and compassion addresses the human side of the upheaval. |
| Interact differently | | Lead taking | Stabilizing the organization requires full ownership and strong guidance. |
| | | Forthright | Transparency creates trust which serves as an anchor in uncertainty. |

During the “Respond” phase, uncertainty is everywhere

Still, leaders have to react quickly to both the economic demands and the emotional emergency.



DOs



Be bold and prioritize based on economic necessity and organizational DNA. You will not be able to solve all issues at once and please everyone. Focus is the key to quick and successful action.



Express empathy and compassion for the human side of the upheaval. As pressing as economic decisions may seem, unless you emotionally support your employees, customers and ecosystem, your organization will fail.



Communicate transparently and openly. Share what you know, and be open about what you don't know.

DON'Ts



Don't shy away from taking the lead to maneuver your organization out of the crisis. Leaders are not likely to achieve their desired result - a powerful answer to the crisis - if they shirk accountability, fail to set the pace and the direction or pass the buck.



Don't wait until you have perfect and complete information to make decisions. An ad-hoc decision that needs correction later is better than no decision at all.



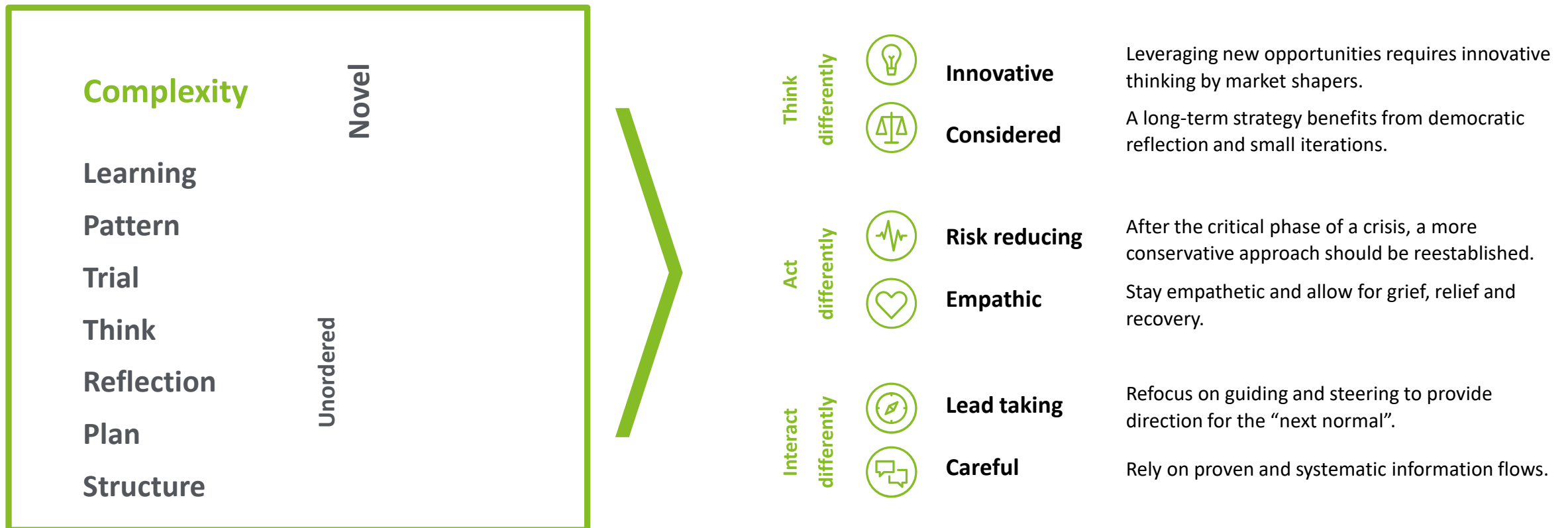
Don't cling to perfectionism. The very first response does not call for innovation – it aims at limiting damage. A pragmatic 60:40 solution might be all you need (for now).

The “Recover” phase reintroduces order into the chaos

Leaders have to take a step back to ensure buy-in for the “next normal”.

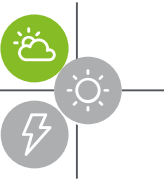


Entering the next phase, complexity rules and organizational ambidexterity reaches its peak as the crisis management phase comes to an end. Now it is time to shape the “next normal”, which requires a different set of attributes.



During the “Recover” phase, the “next normal” is the top priority

Leaders need to decide how to reshape the “old normal”, existing crisis-driven methodologies and future-oriented goals into the “next normal”.



DOs



Be a market shaper. Develop new business models in an innovative way to satisfy new emerging demands.



Consider the “next normal” in your decision-making and communicate accordingly. Shaping the future also entails reflecting as an organization on the decisions taken and those still outstanding.



Reestablish a sustainable way of doing business with a long-term perspective.

DON'Ts



Don't lose focus on the people perspective. Grief, relief and recovery still impacts efficiency and effectiveness.



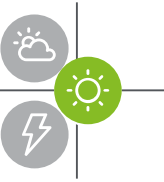
Don't stick to your “one-leader show”. Moving towards the “next normal” requires your guidance but also the alignment with and buy-in from all stakeholders.



Don't stop communicating. The “next normal” will have its own uncertainties that need to be addressed in a structured way.

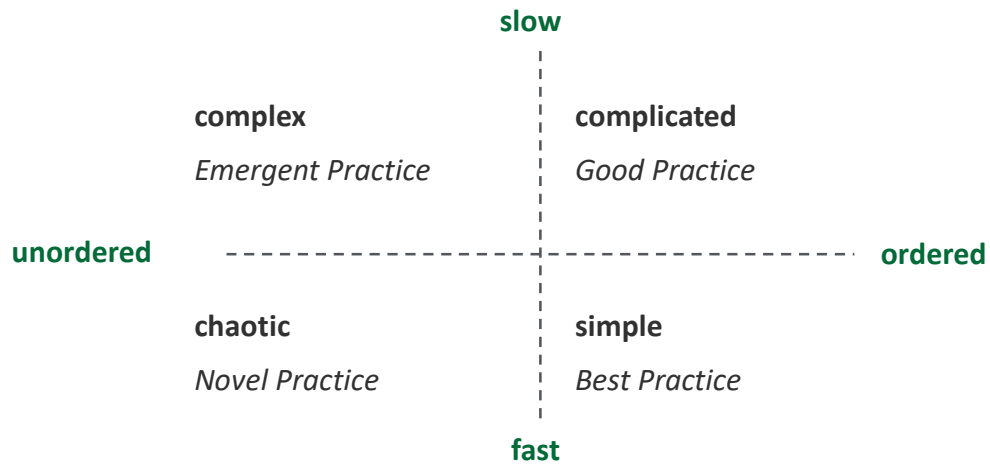
The “Thrive” phase brings the organization back up to speed

Leaders move back to their “normal” role and will need to return to a more flexible posture.

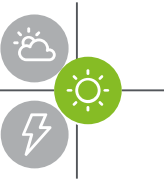


During business as usual, leaders are confronted with a mix of situations from each quadrant of the complexity matrix; they must once again broaden their focus. Leaders will need a distinctive combination of attributes to succeed in the situation as it evolves.

Complexity Matrix (see D. Snowden & M. Boone, 2007)



During the “Thrive” phase, it is time to ramp back up business as usual
Leaders must be flexible enough to adapt their behavior to the situation as it evolves.



DOs



Intuit what is required. Assess the situation at hand in terms of the degree of structuring and the required speed of (re)action in order to consciously choose the appropriate combination of attributes.



Be flexible and deliberate in selecting the most suitable leadership and communication style. For most leaders, the everyday leadership style will not do justice to every situation, including all aspects of a crisis.



Step up your team’s game. Pinpoint the employees that used their natural sense of curiosity to respond to novelty during the crisis. Give them key positions in your new workforce structure and foster their continuous development as a talent manager.

DON'Ts



Don’t limit yourself. The leadership style that comes naturally to you or is typical for your organization may not always be fit for purpose. If you simply default to this style, you could end up letting your organization down when it needs you most – during a crisis.



Don’t just rush ahead. To be sure, the crisis has left its mark and you have grown as a leader simply by reacting to situations as they happen. It would be a shame not to reflect on your journey and thoughtfully analyze the lessons learned.



Don’t take your approach to the crisis as a perfect blueprint. Although it worked well for you, it might be useful to take inspiration from other champions of the crisis as you prepare for the challenges ahead.

Insight: Managing a crisis requires leaders to adapt their behavior with intention

The key challenges are ambidexterity, time pressure and emotional stress.



To manage each phase successfully, leaders must intuit which phase they are currently in and adapt their leadership style accordingly.



1

Respond

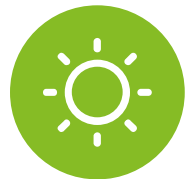
Address the acute situation and manage continuity



2

Recover

Learn and emerge stronger



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Thrive

Prepare for and shape the “next normal”

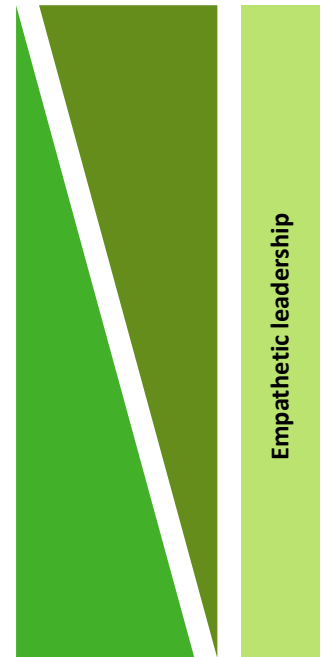


The “**Respond**” phase requires leaders to focus on one thing: managing the crisis. Leaders have to react fast amid all this uncertainty. Addressing economic pressure as well as emotions calls for determined and highly empathetic leadership.

During the “**Recover**” phase, the “next normal” is the top priority even as leaders are still addressing the crisis at hand. Leaders need an ambidextrous posture to broaden their perspective, adapt their leadership to the crisis and ensure constructive collaboration on and buy-in for the future vision.

Moving into the “**Thrive**” phase, the “next normal” becomes reality. Leaders are confronted with all kinds of situations during business as usual and must therefore be flexible in their leadership behavior.

Directive leadership



Participative leadership

Empathetic leadership

Taking the next step: Support your leaders to find the right mix of attributes during a crisis

While leaders tend to focus on tools and processes during a crisis, don't forget that great leadership is all about impactful communication.

To reach impact, each phase of crisis management asks for nuanced leadership behaviors and thus nuanced leadership communication.

1 Respond

Finding an appropriate balance between tough decisions and empathetic communication is crucial. Communication must be goal-oriented, self-confident and supportive.



2 Recover

Entering the next phase, complexity rules and ambidexterity reaches its peak as leaders shape the "next normal". Impactful communication needs to be visionary, composed and reliable.



3 Thrive

During business-as-usual, leaders are confronted with a mix of situations and therefore need highly flexible communication skills. The key is to find the right communication strategy for every situation, acting as a role model for the entire organization.



Leverage AI to support leadership communication:

The impact of your communication can be measured! Precire is an AI-based tool that analyzes language and assesses the effectiveness of your communicative leadership. Individuals gain deeper insight into their communication patterns and how to excel through personal development. By aggregating your organization's individual communicative profiles, you can obtain a clear overview of your organizational culture and the interaction during the crisis and beyond. We can design targeted interventions to help pull the right levers and achieve a resilient organization during and beyond the crisis.



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