

Media release Why this is the best time to invest in leadership skills

Friday, July 31, 2020. When I started writing this article, I referred to the Post-COVID era. But now it seems that COVID is here to stay for at least one more year and become the 'new normal'. Our generation (including our leaders) has never encountered such levels of combined health-economical-geopolitical-societal-personal uncertainty. For businesses, this means uncertainty in the future and a new set of risks to mitigate and lead. Does your organisation have the skills to manage them successfully?

Our generation has not experienced global uncertainty, changes and instability at such extreme levels like those that we are currently undergoing in light of the pandemic. For many businesses, strong leadership is key to surviving and growing post-COVID. Working with executive teams and boards

of directors for over 20 years, I believe that many leaders will need to lift their game. If they want to lead their organisations successfully, they need to strengthen their self-awareness and proactively develop new skills.

The pandemic is a transformative global phenomenon, requiring leaders to think and lead differently. With everything that is happening simultaneously on the many fronts of this crisis (health, economic, societal and geopolitical) it is hard to understand, predict and plan the business future. The World Economic Forum reports that Reuters' poll of more than 50 economists asking for their predictions for economic recovery after the coronavirus, found a variety of forecasts from shrinking by 6%, to growing by 0.7%.

This level of uncertainty means that boards and executive teams are operating at an

extremely high personal risk while making tough decisions that could affect people's lives:

- **Boards-** Board members have personal liability for the organisation, which is quite frightening when thinking of situations when boards don't have full visibility and understanding of what is going on in the company- the organisational culture and ethics. With employees working from home, culture and ethics become even more challenging to lead, manage and govern. Without an in-depth knowledge of what is happening, the quality of the board's decision making is potentially affected, which enhances the personal risk. Also, the new manslaughter laws that came into effect this month, could mean that boards would also be considered liable for coronavirus workplace infections. However, if directors are not on the floor- can they have certainty as to how the new policies are implemented and acted?
- **CEOs-** Pre the pandemic, some CEOs managed to lead their organisations without having a strong leadership team to support them. Leading alone or with limited support in these days is not only a competitive disadvantage but also a personal and mental health risk.
- **Leadership Teams-** Companies that suffer from low levels of collaboration between teams and agility, might find it impossible to pivot, change and survive.

We all know that leadership and culture are more important in times of crisis than during smooth sailing periods. In a crisis, leaders must be competent not only in their respective areas of expertise but also in essential skills such as ethical leadership, unbiased decision making, leading organisational culture and building high performing teams. These are only a few examples of crucial leadership skills that I refer to as managerial infrastructure. How would businesses survive without a proper infrastructure in place?

Hence, although it sounds counter logical, this is the time to invest in the leadership team! In times of crisis, we jump into the easy solution of cutting the 'fat'- but are leadership capabilities really 'fat'?

If you make the wrong strategic decisions, how far would you get?

If you restructure the organisation and lose your top talent, where would that lead you?

If your leadership is failing to empower and engage the team- how would you be able to innovate?

If your decisions are perceived as unethical by crucial stakeholders- how would you keep your customers?

The cost of not investing in leadership skills is much higher than the relatively low price of investing in these critical skills. While organisations that cut their leadership support and training due to COVID-19 might seem to be acting logically, in actual fact, they are reducing the chances of future organisational growth and long term survival.

Some may argue that it is unethical to invest in leadership skills while we have to cut the headcount. This is a fair argument; however, the cost of leadership training is often a lot less than the yearly salary of an employee. There is no trade-in here; it is not that if you cut this cost, you will be able to keep another employee at work. It is about analysing the current strengths and areas for development and ensuring complementary leadership skills are in place. It is about ensuring the long-term survival of the organisation, which benefits the company's core stakeholders, including its employees and their families, and the community at large.

By now, we all realise that the concept of 'change is the new normal' that was commonly used pre-COVID referred to lower levels of uncertainty and change than what we are currently experiencing. The pandemic presents a new 'normal'- one that is harder to grasp since our generation hasn't had to deal with a similar level of uncertainty. Now, more than ever, we need strong leadership teams to guide organisational success. A one-person show won't prevail- we need to build strong complementary leadership skills and ensure our leaders are highly competent in people, culture, ethics and decision-making skills. Now is the time to invest in current and future leaders to ensure organisations survive and advance opportunities in the market!

Some tips Dr Inbar offers for CEOs and Boards to reflect on during these times:

- Risks- assess the new set of threats that the organisation is facing.
- Capabilities- does your organisation have all the necessary skills and competencies to manage the new business reality- risks and opportunities? Identify the core leadership team's capabilities and gaps.
- Leadership team- three crucial areas to consider: 1) the strength of the leadership team (is it a high performing and collaborative leadership team?), 2) the complementary soft skills of the team, and 3) the effectiveness of current decision- making processes- are they shielded from biases and negative dynamics (such as group thinking or unbalanced influence of specific individuals)?
- Organisational culture- now, more than ever, the example and leadership of culture and ethics are crucial. What is the strong DNA of the organisation and what cultural characteristics can hold the organisation from changing, pivoting and moving forward?
- Return on Investment- in crisis, when the budget is tight, what is it that needs to be strengthened to ensure the organisation not only survives but also advances opportunities in the market? Focus the leadership training in these areas.

Note to the editor: DifferenThinking™ is a boutique consulting firm specialising in strategic teams, culture, leadership, ethics, innovation and decision making services. At DifferenThinking we are focused on reducing risks and increasing growth by unlocking the potential of your people, culture and innovation capabilities. In times of such uncertainty, failing to transform and develop these aspects of your organisation could have a significant impact on your bottom line.

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