

# Tackling Any Crisis by Unleashing the Power of our Organizations

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By Karl Alleman

Even as we emerge from a devastating pandemic, we continue to grapple with many factors-- debilitating supply chain issues, inflation, labor shortages and unrest, and the looming specter of more economic uncertainty topping the list. While people are trying to move into more stability and normalcy, it is clear that disruption and crises will persist. Leaders know they must press forward and continue to fortify and transform their businesses ahead of more change. And they have learned how to do that, with real humility from the top, and the open-mindedness to generate constant input from the organization to keep adapting and changing. Because the type of disruptions we are facing are new to us all, we cannot rely on old paradigms and approaches—above all, we need leaders to stay agile and actively seek input from their teams.

This also is a time of rethinking and reinvention. Covid accelerated change and transformation and cast light on many new possibilities. Leaders describe their recent experiences to us in ways that stress silver linings: as an “unprecedented opportunity for rethinking;” a “platform to drive change that otherwise would have been uncomfortable” which “renewed the realization that we are resilient and well-positioned as a company...” This is so important to remember, especially at this moment, when CEOs are under the microscope again, as they lead their organizations through the emerging rearrangements of the rhythms of work and culture coming out of the pandemic. It’s proving to be no easy task. There are still many questions about where and how people should work with offices now fully open and

travel resuming its pre-Covid strides. Leaders everywhere are grappling with very big and contentious issues around optimal productivity, inclusivity, and employee engagement and retention that intersect these critical choices of where, how, and when people will now work. Hybrid models combining working in the office and from home have proven to be preferable for most organizations (with notable exceptions). Even so, what exactly “hybrid” means is still playing out and will keep evolving for some time. It is the responsibility of business leaders to define, modify, and instill the hybrid models that work best.

## **The Humble, Empowering, Inclusive Leader**

In a downturn, CEOs might be inclined to move back into directive mode but, as we learned in the pandemic, it likely will prove more effective for them to be inclusive leaders, to engage and empower their teams throughout the organization. Most significant to future success will be the continued rebuilding of working relations between employees, teams, and leaders across the organization. More authentic relationships with expectations that go both ways are very much needed as we ease into our new rhythms. [Humble leaders](#) can unlock those. The extreme circumstances of the last few years have magnified what we already knew was a call for humility—leaders facing rapid, unprecedented disruption, open to admit they don’t have all the answers, and driven to work collectively for clarity and direction. The most effective CEOs have been and will be those committed to finding new and

better ways to harness the ideas and efforts of others into organizational greatness. This demands willingness to keep leaning into their own humility and growth (and demonstrate as much), letting go of the seemingly tried-and-true ways of the past, and inviting the best of others. Above all, it requires better listening on the part of leaders, a genuine and developed capacity to really engage, hear, and learn from their teams, in order to stimulate collective decision-making and the joint sense of ownership and accountability that is essential to identifying opportunities, fostering innovation, and transforming a business.

When asked recently what's the most important advice she would give to CEOs, Amy Edmondson, author of *Fearless Organizations*, said immediately: "[T]ell the truth... on a regular basis [tell] what you/we are up against... paint the reality," make sure they know "there is no way that you have all the answers." Bringing others in and assuring them of the importance of their input and contributions are critical factors today for CEO leadership. Repeatedly and with conviction, leaders need to be crystal clear about the rationale for why they believe others matter. And they need to show it. "Because the default," Edmondson stresses, "is that they will think you don't think they matter." Emphasizing how dependent the organization is on the ideas emanating from the people within it is the glue needed to keep navigating through continuing uncertainty, *especially* as we settle into new work arrangements.

## A Connected, Innovative, Energized Organization

The complication is that our organizations fragmented during the pandemic, and we must rebuild them to create the engines of ideas needed for both short-term performance and business transformation, whether in a crisis or not. The winning companies and individuals coming out of this phase will have found that "sweet spot," balancing individual flexibility and sufficient in-person interaction, yet leaders are struggling to make this transition in the face of strong employee pushback, often opting to keep employees happy in the short term.

Especially spirited at present are the debates over how hybrid work will translate for each company and how much flexibility will be retained in the new schedules. In our recent study, ["Different Generations, Same Ideals:](#)

[What Workers of All Ages Value in their Jobs,"](#) we found that across generations 80 percent of employees value an employer that allows them to find their best work/life blend. Leaders will have to consider how to continue to enable productivity while simultaneously rethinking building a work culture that values relationships and will thrive across hybrid models.

## Learn from the Pandemic and Give More Flexibility to Employees....

We all have seen the downside to personal well-being in a completely virtual work experience, and we know that in-person interaction is needed to foster collaborative, innovative cultures. Yet at the same time, we have learned how to work remotely quite effectively and retaining this flexibility will be highly beneficial to individuals. The Covid crisis forced leaders to learn to trust that their teams were going to deliver without in-person interactions, and they did deliver. Now, we can embrace this effective way of partnering with team members - this newly embedded trust across different work environments that will only get stronger in the emerging hybrid world.

More than two years since the start of the pandemic, many companies are still refining their work strategies to find the option that provides the ideal mix of culture, employee satisfaction and morale, and productivity. And some businesses are taking the opportunity to experiment, for example, the global travel company Trip.com. "Their motivation was to improve employee job satisfaction to reduce attrition and ease hiring," according to a National Bureau of Economic Research working paper published recently. "The obstacle to implementing hybrid (work from home) was managers' concerns that employees would underperform on their days at home." With that in mind, the company decided to formally evaluate a hybrid system over six months before making a decision on a full company roll-out. What happened? Attrition rates among those with a hybrid schedule plummeted 35 percent and employee satisfaction scores improved. Further, those with hybrid schedules were found to be more productive both in time usage and in that they increased the number of group calls and individual messages, even when they were in the office.

## ....and Return to the Office

One of the most enduring challenges of implementing hybrid scheduling has been overcoming the now-

ingrained patterns of working from home that over 2.5 years of crisis have put into effect. It is up to leaders to explain to employees why working in hybrid blends is preferable for their joint futures. Leaders can't leave these questions looming or unanswered by just telling employees they must come in. This seems to be particularly necessary for new and younger employees with little or no corporate history who have not yet experienced the benefits of working in an office.

One way leaders can do this is by emphasizing the health benefits of returning to office work. Recent research from Stanford University's School of Environmental Health and Safety department highlights the need for "microbreaks" for a human brain to function best. Such breaks are less likely to happen at home in the same way as when one works in an office. Commuting, coffee chats, and lunch gatherings apparently provide more opportunities for the brain to rest and detach from ongoing work projects. But when working from home, the stasis and monotony of the environment does not invite that as easily--almost as if the brain gradually operates in more of a fog.

Recently the bestselling author and prominent thought leader Malcom Gladwell weighed in strongly during an interview, stating his beliefs that we are, by nature, social animals, and that working from home can become too isolating. "It's very hard to feel necessary when you are physically disconnected," he explained. Gladwell supports a hybrid blend (something he is instilling in his own company) and was calling attention to the importance of integrating office work and connectivity which, he and many others feel is so essential for better teamwork and providing a greater sense of purpose for both individuals and organizations as a whole. Similarly, Apple CEO Tim Cook made public his convictions that creative output and innovation are better generated with real, human exchange and shared working environments. "Innovation isn't always a planned activity, it's bumping into each other over the course of the day and advancing the idea you just had," Cook has said. Recently, he told his employees they would be required to come into the office three days a week (two of which would be designated for them), which is a policy similar to ones many companies are starting to instill (including our own). He faced immediate criticism and a petition from a group of employees demanding "location flexible work" and insisting that they have been doing "exceptional work" remotely.

Some sectors, tech and digital most obviously, seem to lend themselves more easily to remote work (many of which had been expanding their work-from-home policies before the pandemic). By and large, however, more CEOs are implementing hybrid schedules, often against ongoing disagreement and disappointment. The challenge ahead will be evaluating and determining what is best for each company which will likely require some trial and error.

## It's Really About Connectivity and Creativity

The knee-jerk reaction to the productivity question, often put forward by employees who prefer working from home, is that eliminating commuting and other prep time frees up significant hours which translates to higher productivity, yet some CEOs are concerned that employees working remotely will completely disengage. A newly released Harvard Business School study does not support either view. Upon analyzing 30,000 emails and attachments sent over a six-week period following the Covid-19 lockdown, the data showed that those working in a hybrid mode (9 to 14 days in the office per month) were more productive and had a broader intraorganizational network. According to the study, carefully conceived hybrid schedules allow the right mix of flexibility and engagement and result in higher quality work. "It seems there is sweet spot in the middle," stated Professor Prithwiraj Choudhury, who led the research.

In the end, work schedule decisions should not be made based on the desire to drive productivity – it's really about creativity and innovation, collaboration and connection, employee engagement and motivation, and mental health. Before the pandemic, Melanie Brucks of Columbia and Jonathan Levav from Stanford, who specialize in creativity/innovation and behavioral economics, respectively, published a frequently cited research paper in which they conclude that "people are less creative when they are not in the same physical space. But there seem to be tasks that people can perform similarly online as in person—maybe even a little better." Using the benefits of digital advancement to buttress working from home, productivity only gained steam during the pandemic. And the idea that we are better at brainstorming by connecting and sharing in person is as old as time.

Still, as we account for the need and benefits of integrating remote work, many people are encouraging thinking differently about creative productivity. For

example, organizational thought leader Adam Grant doesn't believe that face-to-face encounters are as essential for initial brainstorming sessions as they are so often claimed to be. He has argued for many years that group dynamics can be intimidating and actually stifle original thinking.

Clearly, we are in a period of acute transition. It's up to leaders to keep sorting through the evidence to make sense of what is best for their own organizational situations. The "future of work" is most definitely a work in progress.

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Now, as we try to make sense of the uncertain future and conceive of the best ways to work together and uncover organizational excellence, all eyes are on the central role of leaders to create an environment for others to thrive in. Top of mind now is the challenging job of shoring up high-functioning teams and binding

hybrid cultures capable of instilling the trust and generating the transformations upon which their futures depend. Finding that hybrid "sweet spot" is challenging but critical.

It's important for leaders to issue a stance now, to give their organizations and their employee stakeholders, in particular, the structure required to strengthen their core culture and drive their purpose. It is equally important that leaders proceed with the mindsets of adaptability and humility that they have been shown through recent experience are so essential to progress now.

Might hybrid schedules change as we fully emerge from the pandemic and organizations continue to grow and transform? It is highly likely. If the recent past has taught us anything, it is that we cannot control the world, even our little pieces of it. But we can actively shape how we respond to those changes and the challenges they bring. The crucible of meaningful and impactful leadership will revolve around this learning and the organizational results that will follow.

Based in Chicago, Karl Alleman is a member of Egon Zehnder's Global Executive Committee and recently led the firm's US Practice. With broad expertise spanning sectors from automotive and consumer durables to chemicals and packaging, he led the creation and launch of the firm's Industrial Practice in North America and is also active in its CEO, Board Consulting, and Leadership Advisory practices. Karl has a long track record of helping global multinationals, private equity firms, and family-owned enterprises solve their most difficult leadership challenges, focusing on C-suite and board searches as well as CEO succession.

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