



SURVIVING AND THRIVING THROUGH A CRISIS: LEADERSHIP INSIGHTS

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Leading in and through disruption is a challenge for any leader. Jean-François Manzoni offered an open-floor virtual discussion at OWP liVe in which he took questions from participants about navigating IMD through the pandemic.

Q: I am curious to know what your vision of the future looks like and how the pandemic has accelerated moving there?

JFM: IMD's vision of the future is that we are going to do a lot more through technology-mediated interactions. We always knew technology would be an effective and efficient tool for us; the crisis helped us to accelerate our investment and focus.

We made investments on all fronts: hardware, software and capabilities. We began experimenting, leveraging our early adopters and innovators, and this intense sharing of knowledge and insights helped us to progress as much in three months as we would have in three years otherwise.

More generally, thinking of all of you who are in various industries, the key principle is to identify the small number of key issues in *your* industry and business in order to focus on them relentlessly. For us, technology-mediated interaction was on that list. What is on yours?

Q: How did you manage playing defense and offense in terms of IMD's response to the crisis?

JFM: On the defense side, you have to address two things: lowering your costs and lining up financing ahead of needing it. Look at your P&L (profit and loss) and try to identify ways to lower costs without handicapping your organizational ability to be ready and vibrant post-crisis. Too many organizations cut across the board, and in the process reduce resources that would help ensure more growth after the crisis.

On the offense side, you've got to ask yourself: How different from today will our future be? How will customer needs and/or competitive conditions change post-crisis? What are the investments I need to make now to thrive in this post-crisis world, and/or to take advantage of unique opportunities that are appearing now because of the crisis (for example, competitor misfortunes)?

Leaders then need to make sure that "playing offense" stays on the agenda of the Leadership Team meetings. Playing defense will certainly appear naturally, but the offense side may require conscious scheduling and focus. In our case, we defined early on a four-part agenda (health, programs and revenues, defense and offense) that we maintained throughout the crisis. This ensured a lot of clarity and focus from us and from the organization.

Q: Even world leaders were unprepared for the crisis. Is leadership teaching fit for purpose?

JFM: Leaders, whether of organizations or countries, have a hard time maintaining dispersed focus. We do not like planning for bad things. But COVID-19 was not a “black swan event” (a truly unforeseeable phenomenon); we have had pandemics before, and people including Bill Gates have repeatedly forecast such a disaster.

Being prepared for a crisis is a healthy part of effective, forward-looking leadership. Our Executive MBA and MBA programs both include crisis management [modules](#), and our alumni have told us that this helped prepare them to lead during the current pandemic.

At a regular interval - once a year, or once every six months – Leadership Teams should ask: What are the key risks and key contingencies we face? What could go wrong?

Q: How does a leader manage defense, chaos and uncertainty, and still maintain a positive attitude?

JFM: Leaders are human beings: we all face some degree of imposter syndrome, fear of failure, grief and/or anxiety. A cornerstone of IMD’s approach to leadership development is our focus on self-awareness - enhancing leaders’ awareness of their own state, of how they function and why. Self-awareness is a necessary condition - you can only manage what you’re aware of -, but of course it is not a sufficient one.

In the same way that you maintain your personal hygiene and physical exercise, you must also include some mental training. In particular, you should consider including in your daily or weekly rituals some focus on mindfulness, perspective taking, compassion and gratitude. Each of these practices can help you manage negative emotions and develop your resilience. (And Tania Singer’s work, discussed during her OWP liVe keynote intervention, clearly shows that differentiated exercises lead to observably different impacts on the brain.) Taken together, they will help you to considerably increase your resilience and, thus, your ability to step up and be counted on as a leader.

At an organizational level, one way to help staff maintain a positive attitude in times of crisis is to maintain a sufficient focus on “offense”, including via a very visible organization-wide project. For us at IMD, OWP liVe played such a galvanizing role.

Q: You mentioned the importance of being 100% aligned in a crisis, but what about organizational agility? Does it suffer as result?

JFM: We live in a volatile world and need people throughout our organizations to be able to act, innovate and improvise. This does not mean complete freedom, however. In well-run organizations, freedom functions within a frame. This frame includes what we pay attention to as an organization, what we reward, and very importantly as well it includes clear roles and responsibilities. Once this frame becomes clear, it becomes easier for managers to encourage high degrees of empowerment and innovation, and the staff becomes more likely to embrace this empowerment and make productive use of it. Process, discipline and frames are not the enemy of innovation; they support and enable innovation.

Now, when I refer to the need for the Leadership Team (LT) to be very tightly aligned, I do not mean that this LT will agree 100% on every topic. But I do believe that they need to have reached a very high degree of agreement on *some key parameters*, including the organization's mission, strategy and must-win-battles. I am also *not* saying that the LT will agree on everything *at the start of every conversation*. Effective LTs are diverse and have learned to make good use of the creativity and friction that diversity tends to generate. As a result, effective LTs can discuss vigorously to help a "greater truth" emerge, but when it emerges, LT members align around it and come across as fully aligned to their respective staff.