Now. Bridge. Reboot. Thought Paper Series

Leading through the chasm and into the future economy

COVID-19: Leadership at the intersection of disruption and change

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In one of COVID-19's most dramatic effects, in March 2020, offices around the world were shuttered and hundreds of millions of workers transitioned to telework. It was an organizational shift without precedent. For example, in the United States, prior to the pandemic, 21 million wage and salary workers, about 15 percent of the U.S. workforce, worked at least one day per week at home.[1] By May 2020, half the U.S. workforce was working from home.[2] With 90 percent of the U.S. population under stay-at-home orders, without this shift to telework, the U.S. economy would have collapsed.

During this massive disruption, leaders have faced a triple challenge: responding to an unfolding crisis, maintaining operations, and managing rapid organizational change.

The Disruption of Work

Long-honed patterns of work have been disrupted; they are being recreated rapidly, and challenges are emerging:

Communications: With workers disbursed, patterns of communication are changing to maintain performance in the disrupted environment. We are having

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more meetings—virtually—and bigger meetings. In a study of more than three million users of digital communications in 16 metropolitan areas around the world, compared to pre-COVID lockdown levels, both meetings per person and number of attendees per meeting have increased an average of about 13 percent, but average meeting length has decreased by about 20 percent. We are sending co-workers more emails, up an average of about five percent, and individual emails have more addressees.[3]

More frequent meetings and more people in the loop are likely needed to coordinate and rapidly reconstruct work processes for a virtual operation. But, as the scale and scope of virtual work has expanded dramatically, the challenges of distance

1   Table 3. Workers Who Worked at Home and How Often they Worked Exclusively at Home by Selected Characteristics, Averages for the Period 2017–2018, Economic News Release on Job Flexibilities and Work Schedules—2017–2018, Bureau of Labor Statistics, September 24, 2019.

2   COVID-19 and Remote Work: An Early Look at U.S. Data, Erik Brynjolfsson, John J. Horton, Adam Ozimek, Daniel Rock, Garima Sharma, Hon-Yi TuTe, NBER Working Paper No. 27344, June 2020.

3   Collaborating During Coronavirus: The Impact of COVID-19 on the Nature of Work, Evan DeFilippis, Stephen Impink, Madison Singell, Jeffrey Polzer, Raffaella Sadun, NBER Working Paper No. 27612, July 2020.

About this paper

This paper is an outcome of the GFCC Now. Bridge. Reboot. conversation series (conversations.thegfcc.org), which featured business, research, policy and thought leaders from 30 countries in eight live dialogues on the lessons learned from the COVID-19 crisis and the trends emerging for the future economy.

We invited the participants of this dialogues series to reflect on the challenges and issues associated with leadership during the current crisis and in the world that we are seeing emerge out of it.

Learn more about the GFCC Now. Bridge. Reboot. conversation series at conversations.thegfcc.org.

Watch the conversation

Deborah L. Wince-Smith hosted all eight "Now. Bridge. Reboot." discussions. Watch all the sessions on the GFCC YouTube channel.

and non-physical presence are amplified. For example, communication in real-time is harder, scheduling more complex, and the physical cues that influence discussion and worker interactions are not easy to see.

Management Control and Work Team Leadership: With employees working remotely, managerial sight and control are severely diminished. Moreover, the increased asynchrony of work performed virtually by a scattered remote workforce can make the functioning of teams more challenging. Setting formal goals, establishing a communications routine, and a strong focus on results are now leadership essentials.

On-boarding new employees may be more challenging in the virtual workplace. For example, new employees do not have physical proximity to supervisors or seasoned employees who can help them "learn the ropes." Assigning virtual mentors could help.

Work-Life Balance: In the study of workers in 16 metros, the length of the average workday has increased by eight percent or about 48 minutes, partly due to more emails being sent after business hours.[4] Without coming to and leaving an employer work site, work time boundaries are blurring. Also, while working virtually from home, many employees are exercising work time flexibility, either by choice or need, for example, attending to children whose schools have closed and gone online, further blurring the distinctions between home life and work life.

Social Capital: Some remote workers are now reporting a sense of isolation. And, while some workers happily work alone crunching numbers and writing reports, others experience the physical workplace as an important center of social interaction. Employees build "social capital" in physical organizations by both formal and informal means, such as working on team projects, small talk around the water cooler, and impromptu chats with co-workers and managers. Sharing

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work-related and personal information during these interactions also builds trust within and the identity of teams.

Managers can find new ways to help employees build social capital and forge relationships, strengthen team bonding, and promote information sharing by creating a sort of "virtual proximity" through message boards, virtual brownbag luncheons, shared development activities, or friendly team competitions. Some employees are organizing virtual happy hours. Technology developers are already at work with creative ideas, for example, new visualizations of the disbursed workforce, communications tools that virtually mimic physical office chatter, and virtual reality meeting rooms.

IT Systems, Equipment, and Cyber Security: As physical workplaces shut down, companies scrambled to deploy technology and software to support teleworkers and interact with customers virtually. Sales of digital work tools and virtual meeting platforms increased by the millions. In the United States, by April, network traffic had increased dramatically—up 30-60 percent depending on location and provider.[5] IT support personnel have become even more essential.

In this vast forced expansion of telework, many workers have been able to retreat to home offices. But others have experienced challenges, working from kitchen counters and dining room tables, sofas,

4   Collaborating During Coronavirus: The Impact of COVID-19 on the Nature of Work, Evan DeFilippis, Stephen Impink, Madison Singell, Jeffrey Polzer, Raffaella Sadun, NBER Working Paper No. 27612, July 2020.

5   Global Internet Traffic Spiking? Add Bandwidth with Cisco's Flexible Consumption Model, Cisco, April 7, 2020.

The Global Federation of Competitiveness Councils

The GFCC is a global multi-stakeholder membership organization that has universities, corporations, government agencies and private sector industry organizations and councils as members. Combining its members and fellows, the GFCC has a footprint in more than 30 countries. Leaders and organizations in our network strive to advance innovation, productivity and prosperity in their nations, regions and cities.

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beds, and basements. Many workers lacked printers at home. Some files have not been digitized and cannot be accessed remotely. The lack of broad-band in rural areas is a problem, and many workers lack the internet capacity and speed to work effectively or adequately support their participation in virtual meetings—a challenge that government and business leaders must address to ensure more resilient organizations, operations, and economies.

The COVID-19 crisis and vast expansion of telework opened the doors wider to cyber criminals, and malicious cyber activity is on the rise. The U.S. Department of Homeland Security and the United Kingdom's National Cyber Security Centre warned that threat groups and cybercriminals are targeting individuals and enterprises of all sizes. Increased use of potentially vulnerable virtual private networks and digital work tools amplify the threat. They have detected growing use of COVID-19-related themes in phishing emails, and increased attempts to exploit communications platforms such as Zoom and Microsoft Teams, including hijacking teleconferences and online classrooms. It is essential that managers focus on protecting their digital networks and tools, and ensuring remote workers understand the risks and practice good cyber hygiene.

A Time for Learning

COVID-19 will not be the last major disruption organizations face. In addition to disruptive technological change, there are numerous potential operational risks, such as extreme weather, natural disasters, cyberattack, transportation strikes, civil unrest, another pandemic, and more. COVID-19 has created an unprecedented opportunity for leaders and organizations to learn how to build more resilient operations and manage rapid change, and apply what is learned to become stronger, more agile, and, ultimately, more competitive in the turbulent environment ahead.

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