
Leading in a Fragile World: Three Critical Objectives for the CHRO



As the COVID-19 crisis has progressed, organizations are increasingly thinking about the long-term implications of all that is happening. Will there be permanent changes to attitudes, behaviors and priorities among employees, customers, and partners? And if so, what impact will those changes have on the business and how it operates?

Chief Human Resources Officers are finding themselves playing an increasingly critical leadership role in this changing world. Based on recent conversations with board members and CEOs about the crisis and its longer term implications, as well as perspective from leading CHROs on how they think it will shape their role, we have identified 3 critical objectives CHROs should focus on for long-term success.

(Re)Orient Externally

If this crisis has made one thing clear about the C-suite, it is that HR cannot be an internally-oriented role. CHROs typically spike on stakeholder management and communication skills, and they must leverage those abilities to build and maintain external networks that enable the organization to respond quickly in future crises. This is not simply a matter of interfacing with relevant government agencies, but also building deep relationships with other organizations in and beyond your value chain.



More so than ever, employees are putting their trust in their employer as a source of high-quality information and advice, and they are also turning to their employer for logistical support (including in the areas of health, travel, and finance). CHROs will need to ensure they and their teams are setup to respond accordingly.

The ability to tap into the expertise and capacity of other organizations can also be critical when a company is faced with workforce outages, expertise gaps, or surges in demand. Organizations should also be prepared to move quickly to provide their own capacity and expertise to others. Many organizations have learned to do this during the crisis, and this now needs to be embedded and maintained as an organizational capability.

The trend of HR as public relations, whereby decisions that affect employees and communications to employees are seen and scrutinized in the public domain, will now be fully mainstream. CHROs must ensure they have built relationships with their organization's marketing function that go well beyond the basics of employment brand management.

Employee welfare is already a consideration in the burgeoning ESG investing space and has been a nascent trend in the branding and marketing space; it will now likely have a far larger impact on purchasing decisions. CHROs should increasingly expect to act as one of the public faces of the organization in a time of crisis – at a minimum with investors, but possibly also with clients and consumers.

Architect a New Approach to Leadership

Discussions about purpose have certainly been in vogue for some time now, but how many organizations have truly gone beyond good employment branding and internal comms? When we ask the question “what has this crisis taught you about leaders at your organization?” we consistently hear two things: that many leaders have stepped up in unexpected ways, while others have faltered, and that those that are most effective are marked out by their empathy, humility, and ability to drive action and decision making centered around purpose.



CHROs must capture this energy and work to rearchitect what good leadership looks like. For many that will mean taking on the questions of what is the purpose of the corporation, and whether the well-branded statement of organizational purpose is actually a cultural facet, or just that – a brand statement.

Leading with purpose will enable wider engagement from a diverse stakeholder group and great innovations will come from those who are listening closely to employees, customers and other stakeholders.

Doubling down on “inclusive leadership” should be an important component of any new or evolved approach to leadership. Inclusive leaders excel in four key areas: They bring awareness and clarity to problem areas, they practice courageous accountability to help resolve those problems, they empower others, and they foster innovative collaboration to unlock the unique contributions of each person in a group.

CHROs must move swiftly to embed the best of leadership in organizational culture. Ask yourself the question, have leaders emerged in this crisis who were not on succession plans, or likely wouldn't have been the next pick for a big job? If the answer is yes, then its time to revisit and possibly redesign the language, frameworks and processes that drive leadership progression decisions.

Double Down on Organizational Design

Emergency workforce planning has been an essential part of crisis management. The art of organizational design will be a critical capability as the dust settles and organizations focus on two questions: what do our customers want and need? And what do our employees want and need?

After this current crisis subsides, organizational design will sit at the intersect of commercial survival and the employer's responsibility to its employees. CHROs will need to respond to new organizational objectives and adapt the design of the organization accordingly. This will involve decisions about:



What are our current and emerging critical skill sets and roles? The skill sets of the existing employee base as well as skill availability, cost and access in the labor market will all be factors in determining the right mix between hiring and development. Worth noting that reskilling existing employees, an increasingly common topic over the last few years, should be a critical consideration on two fronts: firstly it enables you to leverage your cultural DNA and the engagement capital you have built, and secondly, redundancies will cast a long shadow that will affect your brand with employees, consumers, and other stakeholders.



Where and how can work happen? Many organizations have discovered that they can work in a virtual environment far more effectively than they thought. There is also a burgeoning sense amongst HR leaders that many employees may not want to return to the office, or certainly not full-time. Real estate portfolios will need to be reviewed, but more importantly remote working options open new talent pools and also require different approaches to collaboration and keeping team members connected to the organizational culture. In sectors where workers must be physically present to do their jobs like manufacturing, retail, construction and logistics the social distancing, safety and related measures put in place during the crisis may either need to be made semi-permanent, or will have created new expectations from employees that are hard to undo.



Who are our employees? The issue of responsibility to and management of individuals that supply labor and expertise but are not permanently employed is and will continue to be an important one for companies to manage, both as they think about maximizing their talent base and the broader perception of how they treat their workforce. Additionally, though many organizations will be faced with an acute commercial challenge related to distressed suppliers and need to move quickly to secure the critical capability and talent that sits within its supply chain. CHROs will have an important role to play here in driving decision making about acquisition and integration.



AUTHORS

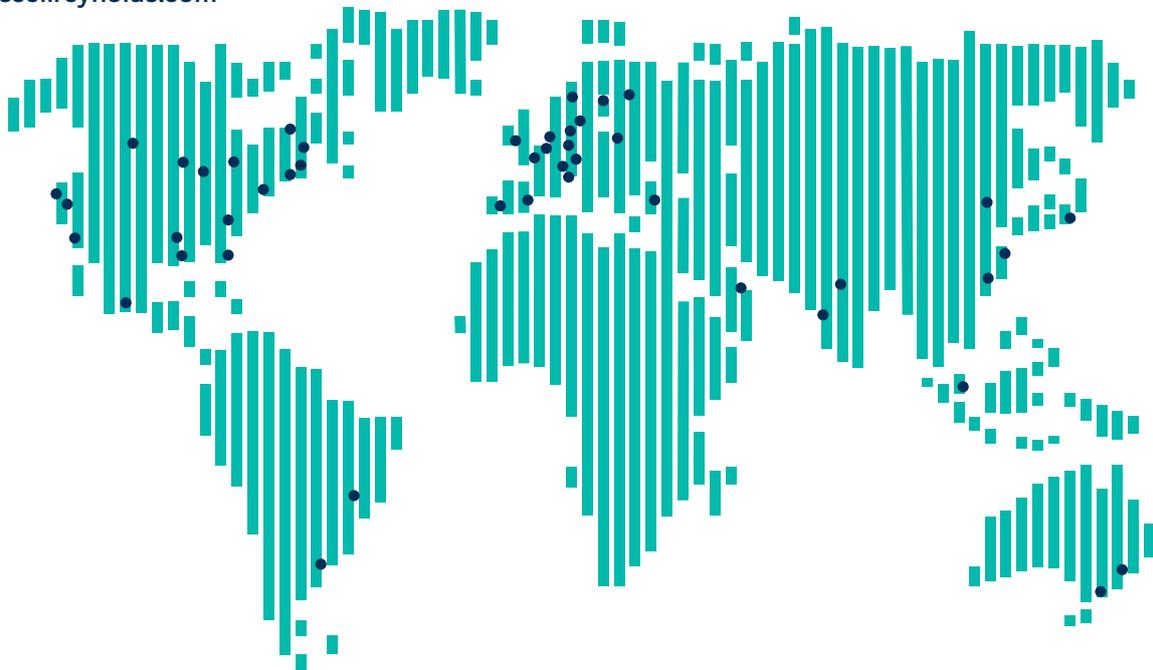
TOM HANDCOCK is the global head of Knowledge Management at Russell Reynolds Associates. He is based in London.

ANNA PENFOLD is a senior member of Russell Reynolds Associates' Corporate Officers Sector and co-leads the Human Resources Practice globally. She is based in London.

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