

Leading in Uncertain Times

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As we face the serious and stressful challenge of the COVID-19 humanitarian crisis, we are forced to conduct business in unfamiliar ways. Prime among these is that we are working from home, where we must adapt to social distancing, new technologies, different distractions, and a stream of (usually bad) breaking news. Most firms' business continuity plans (BCPs) focus on technical details and operational duties, not on the human aspect of working alone amidst significant uncertainty and angst. Ignoring the human element, critical for success at *all* times, is shortsighted. In times that call for our BCPs to be enacted, we need a high-functioning team more than ever.

Leadership differs from management—the daily practice of planning, budgeting, organizing, and problem solving. At its core, leadership relates to two things: 1) establishing direction and 2) improving, aligning, and motivating the team. Both aspects of leadership are much harder under uncertainty and when teams are isolated in work-from-home (WFH) situations.

In industries highly dependent on human knowledge, experience, and problem solving, leaders must be skilled at setting direction and motivating their teams in both good times and tough times. Our clients deserve it. Long-term success requires it.

Establishing Direction

Not all decision-making approaches work well in periods of uncertainty. Good times and confidence are like a high tide that lifts all boats—it is hard to tell whether a leader is truly up to the task until the tide of good fortune and certainty goes out. Establishing direction under uncertainty is an essential skill of a good leader.

In times of relative certainty, a range of decision-making approaches can work reasonably well, although many have a downside. In good times, many paths lead to good outcomes, reinforcing a sense of confidence among leaders in their decision-making ability. For some, reliance on past success leads to overconfidence. As the leaders of their organizations they believe they are best positioned to make important decisions and that the risk of a mistake is low. As a result, they do not solicit or value dissenting views for the contribution they can make to vetting decisions, which can lead to both mistakes and “teaching” others in the organization to withhold contrary information and views.

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Uncertainty changes everything. Current practice and direction may not be ideal, or even viable. Leaders who were not accustomed to soliciting divergent views may find themselves blindsided by unknown factors or unable to make decisions because of too little information. Many of these leaders fail the test of good leadership.

In times of uncertainty, firms need their leaders to set the course for the organization through the turbulence—and to do so with less information and more uncertainty than most people are comfortable with. Good leaders make decisions under uncertainty after soliciting input—including dissenting views—from a diverse group of individuals. They see opportunity in the face of change and are not paralyzed by lack of certainty or the risk of making the wrong decision. Rather than sticking rigidly to known paths, they are curious about alternatives and ready to pivot.

Good leaders understand the wisdom of soliciting input, especially opposing views, despite the inevitable discomfort associated with that approach. In other words, they embrace the concept of **collective intelligence** (CI) or the intelligence of a group rather than of an individual. Research shows that CI is associated with better decision making, greater curiosity, more effective leadership, and improved firm outcomes.

Achieving collective intelligence requires both cognitive diversity and a culture that facilitates effective communication and productive debate—particularly decisions of significant consequence and/or high degrees of uncertainty.

Pursuing collective intelligence is considerably harder in the current environment, however. Not only is it difficult to solicit and process conflicting views in a dispersed workforce, it is also difficult to overcome natural tendencies to resist risk taking and making difficult decisions.

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Thus, good leaders must be proactive in protecting the important elements of culture that contribute to good decision making. When uncertainty is high, anxiety increases, as does a natural desire to seek comfort and familiarity. The human instinct is to default to doing what we know and to making decisions that feel safe. These are exactly the real-time conditions when leaders must do the opposite, when embracing divergent points of view rather than operating in isolation with limited information (points of view) is critical, and when making difficult decisions on firm direction is often imperative.

Aligning and Motivating Teams

Setting firm direction and making decisions is only part of the leadership function. Successful leaders must also align and motivate the team if the firm is to succeed—needless to say this too is harder in periods of increased uncertainty and the isolation of WFH.

The often-overlooked aspect of BCPs is replacing the natural ebb and flow of office contact with distance-friendly social interaction. Leaders can step into this void by maintaining collaboration and curiosity within their own team and across teams, and by doing so in ways that reflect the current reality. For example, relying on email interactions is suboptimal when video conference capabilities are available and thereby can increase the sense of community by adding visual and verbal cues to the communication.

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Good leaders recognize the dual impact of uncertainty and isolation on the team and take proactive steps to offset the negative influences where possible—often using the softer skills of compassion and humility. They acknowledge the difficulties faced

individually and collectively, particularly when the challenges emanate from the firm's decisions. And they remind people to be responsive to their colleagues, take responsibility for their own decisions, be kind and understanding, and communicate (over-communicate by normal standards) as clearly and effectively as possible.

Finally, in these uncertain times, good leaders lead by example. They communicate—even risk over-communicating—on a regular basis, using technology as an asset to convey both firm direction and to motivate the team to continue to deliver in these unusual times.

The Leadership Responsibility

Good leaders rise to the occasion. They make sound decisions in the face of uncertainty. Good leaders lean into crisis and are able to fully engage, motivate, and inspire their most valuable resource—their people—to accomplish their firm's mission as the tide of certainty recedes all around them.

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