

Strategic leadership: plotting a growth pathway through the pandemic



Julia Hayhoe and Kate Lye explain why leadership teams need to stay focused on their long-term strategy despite the distractions of Covid-19.

The Covid-19 pandemic has left leaders wrestling with waves of operational challenges. Overload and fatigue are inhibiting their ability to move quickly to reimagine their new pathways for future growth and renewal.

For many, last year's better than expected financial results are compounding inertia, insulating leaders from re-evaluating the impact of the deeper market changes on their future.

Having worked with a range of law firm, in-house counsel and corporate leadership teams throughout the crisis, we developed a light-touch Strategic Leadership Pathway to help them pause and plot their growth pathway through the pandemic.

Here we share the highlights, reflections and five key suggestions for leaders to successfully navigate the post-pandemic landscape.

Not surprisingly, early on in the crisis, we found many leaders reported being locked in the **Respond** phase – concentrating on keeping the business going, preserving cash flow, safeguarding employees' wellbeing and maintaining client relationships. For many it was an all-consuming task, made more intense by the length and unpredictability of the crisis.

Yet many were able to move to the **Review** stage, taking a step back to acknowledge their achievements in keeping the show on the road, and begin to learn important lessons from adversity.

This phase is an opportunity to look afresh at how market, client, talent and wider stakeholder demands have changed. It is also the moment to examine the leadership strengths and weaknesses exposed by the crisis.

The **Re-imagine** phase offers leaders the ability to ask how the business needs change in response to shifting market trends, the health and wellbeing context and, very deliberately, to restate the firm's future proposition and ways of working.

The final phase was about working out how to **Realign** the business and its resources to grasp new opportunities in a changed world. Firms can be tempted to skimp on this phase, thus preventing the effective strategic implementation and behavioural change required.

A Strategic Leadership Pathway Navigating Leadership Teams through the Pandemic



The Five Key Leadership Takeaways



1. Challenge where you are spending your leadership time.

Leaders found it challenging to make space for strategic thinking at the height of the crisis. However now it is crucial to challenge where your leadership teams are spending the bulk of their time, across the key dimensions of: internal – external; operational – strategic; short – longer term.

For many firms, agendas continue to be tilted heavily towards the internal, operational and short term. Strategic planning cycles need to become more dynamic and incorporate quarterly check-ins and course-corrects.

2. Reassess your leadership capabilities and behaviours.

Gaps in leadership were frequently exposed in the review phase. Often firms have been overly relying on a small group of emotionally intelligent and tech-savvy leaders. Also, weak face-to-face managers pre-pandemic often turned out to be catastrophic in the virtual, remote-working world. Therefore it is key to reassess mindsets and capabilities at all levels required for the new operating context.

3. Understand the impact of the pandemic on different generations and minorities.

Firms have recommitted and extended their diversity, equity and inclusion goals. However, the systemic actions needed to drive material change at a greater pace need to be reimagined in the context of the disproportionate challenges being faced by younger generations, women and minorities during the crisis. Not least in balancing professional, caring and domestic responsibilities. This means a deeper understanding of the unique issues within your firm and some new responses.

4. Reimagine your new sources of value and growth.

Leaders of corporate boards moved quicker to identifying new growth opportunities. For example, the growing stakeholder focus on accelerating environmental, social and governance (ESG) demands is driving corporate boards to reimagine their purpose and reset their strategic sources of value, growth and risk in a new, purpose and profit context.

Professional services firms, by contrast, still defaulted to looking for growth in traditional markets and aspects of business cycles. Firms that bucked this trend were those that had identified transformational issues ahead of the crisis and were already moving to grasp new opportunities, often developing and acquiring new capabilities in areas adjacent to their core business.

5. Create and communicate a coherent rallying narrative.

People are increasingly tired, and leaders need to provide a sense of hope and direction. The pathway has helped leaders capture what the firm has learnt through the crisis, where it is going and what opportunities lie ahead.

Leadership teams can utilise the pandemic as a chance to tackle a broad agenda of change. Alternatively, they may opt to focus determinedly on a couple of material issues such as identifying new growth opportunities or fixing one long-standing issue.

The important point is that, regardless of the crisis, leaders must make time for structured thinking about the future, recognising there can be no renewal without reflection.



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