

5 Important Leadership Lessons 2020 Taught Us



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2020 stands out as a unique year in recent history. While many business leaders today have weathered economic downturns, last year was different, as the pandemic wrought havoc not just on the economy but on every aspect of human life.

As we move on and recover, business leaders can glean these five important lessons from 2020 in order to build more resilient organisations for the future. After all, the world as we know it has changed. We live in [VUCAH](#) (volatile, uncertain, complex, ambiguous, and hyperconnected) times, and organisations need to adapt fast for the sake of their business, their customers, and their employees.

1. Be Open to Changing Traditional Processes

If there's anything 2020 has proven, it's that years-old systems and ingrained practices can be upheaved in a day by factors beyond our control.

Consider the sudden shift to remote work when cities went on lockdown. Pants-in-seats environments gave way to remote collaboration. Corporations wondered whether they really needed that much office space. Even the basic facets of modern corporate life—like the five-day workweek—were [called into question](#).

When the first wave of the global pandemic surged in March and April 2020, Buffer, a software application maker, asked their remote employees how the company could help them cope. Most of the team members, especially parents, asked for more time to deal with the challenges that Covid-19 had brought on.

Buffer decided to try out a four-day workweek. After a month, they [found improved happiness and less stress](#) among employees. A third (34%) said they were more productive, while 60% felt equally as productive as they had been on five-day workweeks. The experiment stretched into a six-month trial and is now the new norm for Buffer.

Could this work for traditional and large companies, though?

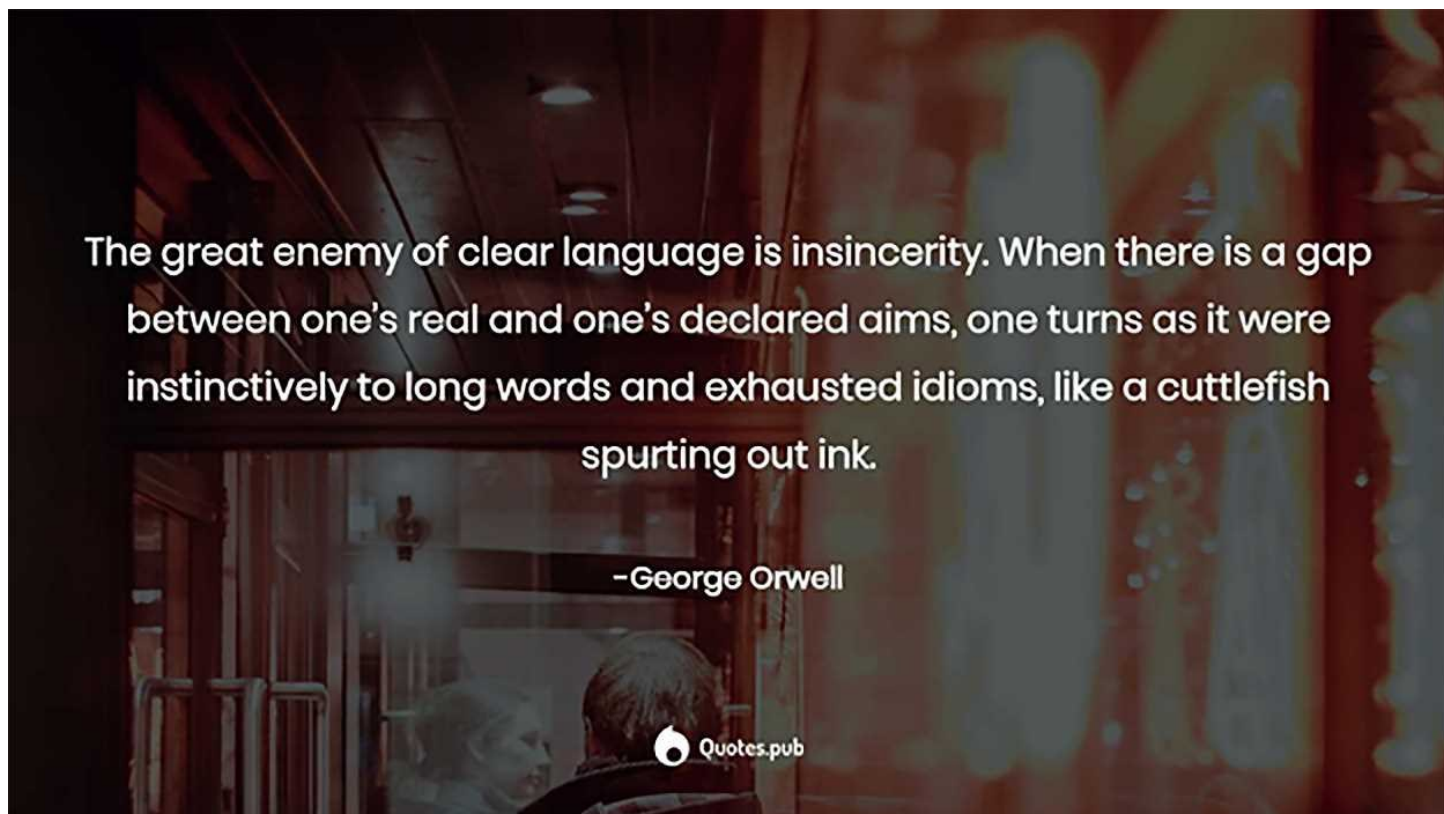
The leaders of Unilever New Zealand think so. The company [began a four-day workweek trial](#) in December 2020, with the goal of measuring performance based on output instead of time. Nick Bangs, the company's Managing Director, pointed out that Covid-19 has upheaved standard working practices.

But changing ingrained practices requires a shift in mindset—starting with the willingness to admit that the old ways no longer work. And when changes need to be done fast, as they did in 2020, Agile Thinking comes in handy. The organisational culture also needs to shift to emphasise trust in team members' motivation to perform well and produce good results without supervision.

It's also important to be prepared with technologies that enable flexibility, such as cloud-based collaboration software and cybersecurity.

2. Don't Sugarcoat Bad News

It's been more than 50 years since George Orwell railed against the use of euphemisms to downplay negative events. The year 2020 has shown that employees are fed up with obfuscating language too. They want their leaders to give them the facts straight and to show humanity when communicating, instead of hiding behind corporate jargon.



[Image source](#)

Business leaders can learn from the way [Airbnb](#) and [LinkedIn](#) communicated layoffs amid the pandemic:

	Airbnb message from Co-Founder and CEO Brian Chesky, published on May 5, 2020	LinkedIn message from CEO Ryan Roslansky, published on July 20, 2020
Acknowledge the difficulties the company is facing	"We are collectively living through the most harrowing crisis of our lifetime, and as it began to unfold, global travel came to a standstill. Airbnb's business has been hit hard, with revenue this year forecasted to be less than half of what we earned in 2019."	"LinkedIn is not immune to the effects of the global pandemic. Our Talent Solutions business continues to be impacted as fewer companies, including ours, need to hire at the same volume they did previously."
Give the facts straight	"Out of our 7,500 Airbnb employees, nearly 1,900 teammates will have to leave Airbnb, comprising around 25% of our company."	"The executive team and I have made the extremely difficult decision to reduce approximately 960 roles, or about 6 percent of our employee base, across our Global Sales and Talent Acquisition organisations."

<p>Explain how you arrived at difficult decisions</p>	<p>“We assessed how each team mapped to our new strategy, and we determined the size and shape of each team going forward. We then did a comprehensive review of every team member and made decisions based on critical skills, and how well those skills matched our future business needs.”</p>	<p>“First, there are a set of roles in GSO [Global Sales Organisation] that are no longer needed as we evolve the way we work with our talent media customers and small businesses.”</p>
<p>Show you understand the distress your message causes the listeners and explain how you will support them</p>	<p>“To take care of those that are leaving, we have looked across severance, equity, healthcare, and job support.”</p> <p>[This is followed by a list of how the company will support laid-off staff in terms of finances, healthcare, mental health support, and career transition.]</p>	<p>“These reductions impact our colleagues personally — talented people who have chosen to spend their time and energy working at LinkedIn.”</p> <p>[This is followed by a list of how the company will support laid-off staff in terms of finances, healthcare, mental health support, and career transition.]</p>

The messages from the two CEOs answer pertinent questions for those who were let go—why it happened, and how they'll move on. They show that while there are many things we can't control in a crisis, language is something that leaders can wield to steer the ship and maintain morale.

3. Build a Culture of Learning and Reinventing

Leaders can establish a culture of continuous learning to help their staff pick up new knowledge and skills fast, making the business agile enough to respond to a crisis. Mechanisms like [corporate universities](#) enable leaders to train their staff to respond quickly to changing circumstances and consumer demands. This allows businesses to continue serving their customers in times of uncertainty.

For example, as people stayed at home during the pandemic, many adopted new digital habits. In Southeast Asia alone, 47% of those who bought groceries online in 2020 were first-time digital consumers, according to a [report by Google, Temasek, and Bain & Company](#).

For a lot of brick-and-mortar retailers, this meant learning eCommerce in a matter of weeks. Business leaders had to introduce training to teach teams new ways to manage production, supply chain, inventory, sales, marketing, and more—all while adopting new remote collaboration workflows.

4. In a Crisis, Make Strategic Decisions to Grow and Thrive

A [BCG study](#) found that during four major economic recessions from 1985 to 2019, around one in seven companies grew sales by an average of 14% and margins by 7%. While the pandemic wrought more than economic devastation, the study shows that it's possible to thrive in a crisis.

One example is US-based Puzzle Break, which used to run escape rooms all over the country. When the pandemic broke out, it closed its operations, but then [pivoted to running virtual escape rooms for remote teams](#). It hired back its staff (and more), expanded beyond the US market, and now runs digital games with up to 20,000 participants.

In Singapore, Vouch, a digital concierge service for hotels, [grew sevenfold during the pandemic](#) while its competitors languished. As Covid-19 spread, Vouch's founder made two crucial decisions—he offered services to hotels for free and sought out government deals to serve local tourist attractions. Within a few months, its market share of hotels in Singapore had climbed from the single digits to 20%.

These examples show that a resilient organisation doesn't just identify business opportunities in turbulent times—it *pursues* them by making strategic decisions and testing out solutions fast.

5. When Changing One Part of a System, Consider How It Affects the Whole

Adopting a change in one part of a business creates ripple effects across the organisation and its stakeholders. When F&B businesses had to close their establishments during community quarantines in 2020, many turned to online food delivery platforms. A decision like this affects many aspects of a business, including food production planning, deployment and training of staff, marketing campaigns, accepting different payment methods to meet consumer needs.

In other words, a change in one part of a system affects the rest. This perspective is known as systems thinking, [defined](#) as “a way of seeing and talking about reality that helps us better understand and work with systems to influence the quality of our lives.”

To help business leaders learn to use the systems-thinking perspective to navigate complexities, the Singapore Institute of Management (SIM) launched the [Centre for Systems Leadership](#) in November 2020. Departing from the traditional linear way of analysing problems, the systems thinking approach equips people with the skills to generate honest generative conversations and encourages new expansive patterns of thinking that are essential for innovation.

As you move forward in 2021, think about how the changes you made last year affect your organisation. What other changes do you need to make as a result?

Facing the Future as a Resilient Organisation

These are by no means the only leadership lessons you can glean from 2020—but they're a good place to start. As you move forward from the pandemic, take time to reflect on the past year and identify the mindsets and systems you need to adopt to help your organisation face the future.

Contact Us

Good leadership inspires extraordinary performance. During a crisis, outstanding leaders have the ability to plan and bring people together to successfully navigate uncharted territories.

Check out our series of [Leadership Development courses](#) at SIM or get in touch with us at pdel@sim.edu.sg for bespoke solutions.