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Introduction: The Covid-19 Crisis Hits Organisations

Resilience

Resilience has become one of the keywords as organisations deal with the effects of the Covid-19 pandemic.

In early 2020, various measures were introduced by the Irish Government and governments around the world to reduce the spread of Covid-19. Since then, tremendous change has occured across all sectors of society, including within organisations, both public and private.

While change and disruption are not new phenomena to organisations, the unprecedented scale and effect of the public health measures brought in to tackle Covid-19 created significant challenges for organisations. Some had to radically change their business or delivery models, while others transformed to become digital-first businesses. Many more organisations adopted virtual-first ways of working, requiring staff where possible to work from home.

1.

Introduction: The Covid-19 Crisis Hits Organisations

The disruption from Covid-19 on organisations has not been uniform. Some organisations experienced significant and fundamental challenges stemming from the pandemic, while others were able to adapt quickly to capture new opportunities. Establishing and demonstrating resilience became imperative for organisations in navigating the complexity of the challenges presented by the pandemic.

The study, conducted by the Irish Management Institute (IMI) in conjunction with Cork University Business School (CUBS), University College Cork, sought to examine the views of Irish business leaders relating to their organisations' resilience before and during the Covid-19 pandemic. This long read presents the findings of the survey beginning with the response of organisations to the pandemic. Several key areas relating to organisational resilience will be examined, notably, practices relating to communication, trust, and leadership. This long read will conclude by outlining how leaders feel about the current levels of resilience in their organisations, as well as their outlook on their organisation's ability to navigate the future.
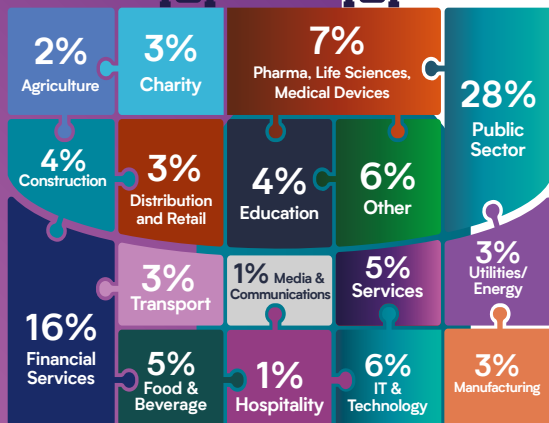
What is organisational resilience?

"A company's capacity to absorb stress, recover critical functionality, and thrive in altered circumstances."

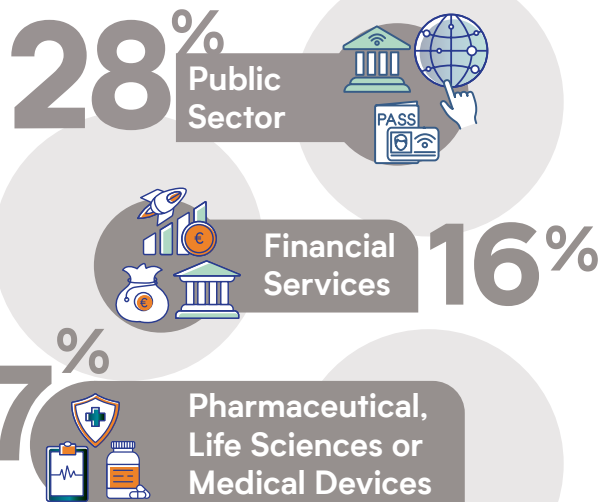Reeves, M., and Whitaker, K. 2020. 'A Guide to Building a More Resilient Business': Harvard Business Review.

1.

## Introduction: The Covid-19 Crisis Hits Organisations

The Survey Respondents

Respondents by Sector

Top 3 Participating Sectors

2% Agriculture	**3%** Charity	**7%** Pharma, Life Sciences, Medical Devices	**28%** Public Sector
4% Construction	**3%** Distribution and Retail	**4%** Education	**6%** Other
	3% Transport	**1%** Media & Communications	**5%** Services	**3%** Utilities/Energy
16% Financial Services	**5%** Food & Beverage	**1%** Hospitality	**6%** IT & Technology	**3%** Manufacturing

28% Public Sector

16% Financial Services

7% Pharmaceutical, Life Sciences or Medical Devices

Employee Number in Respondents' Companies

- ☐ Up to 50
- ☐ 50–250
- ☐ 250–1000
- ☐ 1000–10000
- ☐ Over 10000

11% / 16% / 19% / 16% / 38%
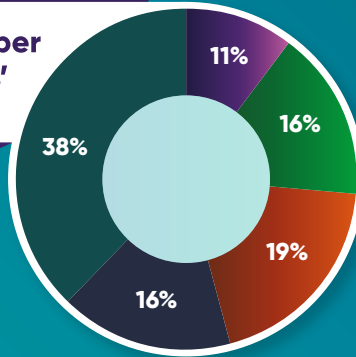
Seniority Level of Respondents

- ☐ Middle Manager
- ☐ Director
- ☐ C–Level
- ☐ Owner
- ☐ Senior Manager
- ☐ Other
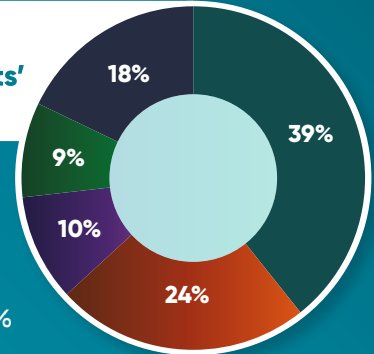
3% / 11% / 13% / 29% / 41% / 3%
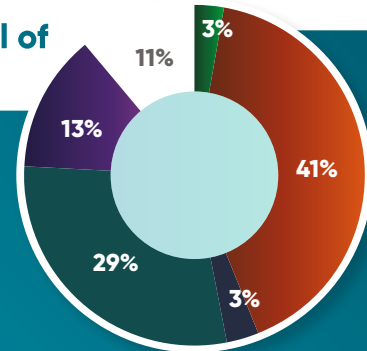
Organisational Revenue (Companies) or Budget (Public Sector bodies) in the last 12 months/Financial Year

- ☐ Up to €10m
- ☐ €10m–€50m
- ☐ €50m–€100m
- ☐ €100m–€500m
- ☐ Over €500m

17% / 18% / 8% / 18% / 39%
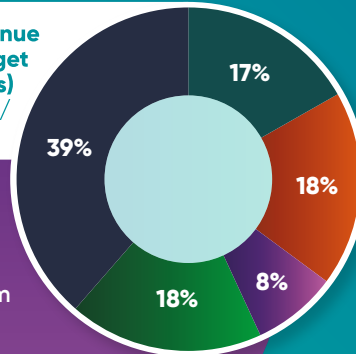
Importance of Global Markets in Respondents' Business

- ☐ N/A
- ☐ Less than 25%
- ☐ Between 25% and 50%
- ☐ Between 50% and 75%
- ☐ Between 75% and 100%

18% / 39% / 24% / 10% / 9%

How much of our business comes from outside Ireland?

1

An Agile Response Powered by People

Challenges

For the most part, organisations responded positively and with agility to the challenges presented by the pandemic.

The vast majority of leaders felt that their organisation responded to the pandemic successfully, with only a small proportion expressing negative sentiments to their organisation's response. Eighty-six percent of leaders felt their organisation responded 'well' or 'very well' to the pandemic, only 2% of leaders felt that their organisations responded 'badly' or 'very badly'.

Badly / Very Badly

Well / Very Well

2%

86%

How well did your organisation respond?

2.

An Agile Response Powered by People

Leaders praised staff within their organisations for working together, working at pace, and adapting quickly to the challenging environment.

The pandemic came as an unforeseen shock to many organisations in terms of scale and impact. It challenged leaders to simultaneously balance short-term issues with longer-term goals. When respondents were asked about their organisations' ability to balance these priorities, 92% of leaders responded that their organisation was able to balance short-term and long-term issues simultaneously to varying degrees. Of these respondents, 72% felt that their organisation was able to balance these issues 'well' or 'very well'. Only 8% of respondents reported a negative response in their organisation's ability to balance both types of demands.

The Power of People

During the pandemic, organisations were able to adapt and demonstrate agility through their people. Leaders reported how staff in their organisations were key to enabling the changes needed to respond to the pandemic promptly.

"Working together to achieve a common goal is powerful."

"We used the burning platform that we were faced with to do new things; it allowed us to launch new products that we wouldn't have had the chance to do as quickly as before."

"People adapt and at times, we do not give enough credit to the speed at which people are capable of adapting."

2.

An Agile Response Powered by People

A wordcloud was created using the qualitative responses from the survey as to the main lessons learnt by respondents during the Covid-19 pandemic. The wordcloud on the right shows the words which came up most frequently in the respondents' answers.

'Staff' came out most frequently, followed by 'work' and 'can'. A range of other words featured too, including, 'change', 'communication', 'time', and 'resilience'. The words reflect the positive or neutral opinions of respondents when reflecting on their lessons learnt from the pandemic.

Lessons Learnt from Leaders

Remote Times Value Environment **Change** Public People Changes Flexibility Colleagues Space Done Deliver **Work** Focus Will Life Key Working Can Communication Ensure Organisation Productivity Travel Cases Support Managers Staff Adapt Remote **Can** Value Environment Ability Regular Public People Changes Flexibility Colleagues Space Done Deliver **Time** Come Focus Will Life Key Working Can Communication Ensure **Staff** oductivity Travel Cases Support Man Remote Times Value Environment Ability Regular Public People Changes Flexibility Colleagues Space Done Deliver Teams Come Focus Will Life Key Working Can **Communication** Ensure Organisation Productivity Travel Cases Support Key Managers Staff **Resilience**

3. Navigating Communication in a Crisis

Effective communication is a key skill for leaders.

While virtual methods of communication are not new for organisations, their widespread use over more traditional forms, like face-to-face meetings, is. Organisations had to rethink not just the messages they communicated to their staff, but also the means by which they communicated with them.

Communication practices were navigated successfully by most organisations throughout the pandemic both in terms of the amount (volume, frequency) which organisations communicated with their staff during the crisis, but also, the information they communicated in terms of the opportunities arising from the pandemic.
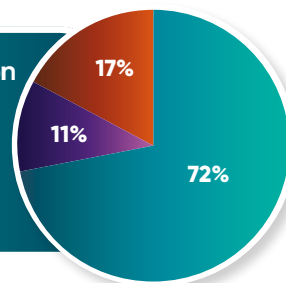
Communication

3.

The Fine Line for Communications

There seems to be a fine line in terms of the 'right' level of communications in a crisis, both in terms of volume and frequency. The majority of organisations seemed to toe this line well, with 72% of respondents feeling that their organisation provided the right level of communications to staff in terms of volume and frequency; yet 11% of respondents believed their organisation provided too much information, while 17% believed that their organisation could have done more with the volume of communications to staff.

"Quick responses to challenges with effective communication are key. Too much information can be just as detrimental as too little and it can cause panic or confusion if not managed correctly."

"There is a huge importance on effective communication.... How to convey a simple message and seek and retain alignment is so key... Most of my time is spent on that aim. 'Is everyone on the same page?', and 'how do we know they are?"

How well did your organisation handle communications with staff during the crisis, in terms of amount (volume, frequency) of communication?

17%

11%

72%

- Too much communications
- Too little communications
- Right level of communications

3. Navigating Communication in a Crisis

"Never Waste a Good Crisis"

> "There is a need for more frequent communications with staff at global, regional and country level. Global leadership was largely absent and regional leadership needed to do more."

OPPORTUNITIES

How well did your organisation handle communications with staff during the crisis, in terms of emphasis on the opportunities presented by the pandemic?

53% 44% 3%
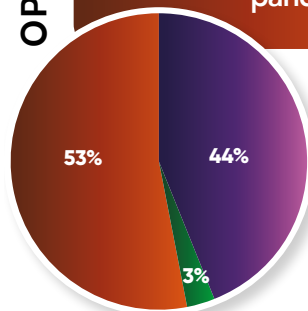
- ■ Right amount of emphasis on seeking opportunities
- ■ Too little emphasis on seeking opportunities
- ■ Too much emphasis on seeking opportunities

> "During a crisis, there are opportunities. What leaders are telling us here is that there were missed opportunities. It comes back to balancing short– and long–term issues. It's possible that responding to the pandemic and getting people working remotely was the key focus of the communications, and there wasn't enough emphasis on opportunities."

Thia Hennessy, Dean of Cork University Business School

The ways by which leaders communicate has shifted with the arrival of more virtual methods of communication.

Most organisations seemed to navigate communication practices relatively successfully, yet there is scope for improvement among leaders in their communication skills, both in terms of how they communicate and the information they communicate with their workforce. In some cases, there may have been missed chances by organisations to communicate opportunities arising from the pandemic to their staff.
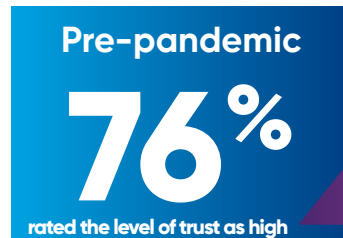
Trust Gains Between Leaders and Staff

Trust

Trust is an important factor in organisational resilience. Without trust, organisations cannot perform at their best.

Overall, the survey findings show that trust rose over the course of the pandemic between the majority of leaders and staff within organisations.

Pre-pandemic

76%

rated the level of trust as high

3%

At time of survey

79%

rated the level of trust as high

Ways of Working Changed Significantly

Ways of working changed rapidly with the introduction of widespread public health restrictions by health officials to stall the spread of the pandemic; and with these changes, there were concerns that productivity levels could fall with staff working from home. Eighty-two percent of organisations surveyed made either significant or complete changes to their ways of working during the pandemic. Only 2% of organisations reported replicating pre-pandemic work practices.

To what extent did ways of working change over the past year?

2%
16%
20%
62%
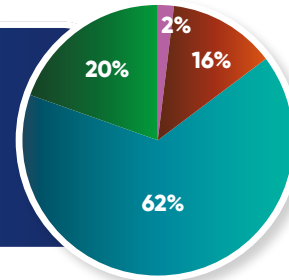
■ Not at all, we replicated our old ways of working
■ We made minor changes to our ways of working
■ We made significant changes to our ways of working
■ We completely changed our ways of working

Trust Gains Between Leaders and Staff

The 'great remote working experiment' seemed to be successful as leaders remarked how staff were able to complete their work successfully outside a traditional office setting. This successful transition seemed to allow for trust to be built between leaders and staff as productivity was maintained, and in certain cases, enhanced.

"Trust between leadership and their teams improved. The organisation would not have thought it was possible for people to work remotely effectively before this."

"Staff can be trusted more to overcome obstacles to deliver. The office is useful for collaboration, support, maintaining culture and a sense of unity/common purpose, it is not needed for supervision."

4.

Trust Gains Between Leaders and Staff

"

"This public-private sector discrepancy is a fascinating finding from the research. This could be a reflection of the immediate response and mobilisation from public sector bodies and frontline workers in tackling the society-wide disruption caused by the pandemic, which in turn led to a collective mindset to meet the challenges based on a foundation of trust."

Dr Colm Foster, Director of Executive Education at IMI

Sub-Group Differences

While trust between leaders and staff rose overall over the course of the pandemic, there were two notable findings in the analysis. First, in relation to levels of seniority; C-level leaders reported lower levels of trust between staff and senior managers at the time of the survey when compared to pre-pandemic levels. Second, in relation to sectoral differences between the private and public sectors. Increases in trust were greatest in the public sector (+8%pts) compared to the private sector (+1%pt).

Increases in trust were greatest in the public sector (+8%pts) compared to the private sector (+1%pt).

x8

Increase in the level of trust in the public sector compared with the private sector.

Evolving Leadership Through a Crisis
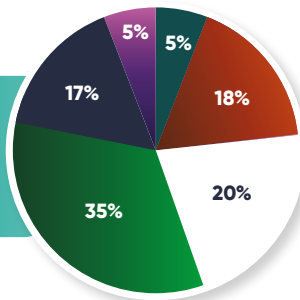
Leadership

Leadership came under increased scrutiny as organisations faced challenges and sought opportunities arising from the pandemic. Leaders were at the coalface as organisations grappled with the effects of the pandemic.

The majority of leaders surveyed felt that the practice of leadership improved within their organisation during the pandemic.

However, this feeling was not unanimous across all organisations or leadership groups.

Would you say the practice of leadership in your organisation evolved during the pandemic?

5%
5%
18%
20%
35%
17%

- ■ Our practice of leadership went backwards
- ■ No real improvement in our practice of leadership
- □ A little improvement in our practice of leadership
- ■ Some improvement in our practice of leadership
- ■ Quite a bit improvement in our practice of leadership
- ■ Significant improvement in our practice of leadership

5. Evolving Leadership Through a Crisis

Overall, 77% of leaders felt there was a positive degree of improvement in their practice of leadership throughout the pandemic, with 5% feeling that there was a significant improvement. However, nearly a quarter of leaders (23%) felt the practice of leadership worsened or experienced no real improvement. Of these leaders, 5% felt that the practice of leadership in their organisation went backwards.

> "Work practice changes previously considered impossible can be delivered with management support and leadership."

> "I learned many significant lessons about my own leadership: Awareness of my own style, my insecurities and strengths; learning when to motivate and drive forward and when to slow down and extend empathy."

Sub-Group Differences

While the practice of leadership seemed to improve for most leaders, those in more senior leadership positions, that is, up to C-level positions, reported greater improvement in leadership practice than more junior leaders (middle managers) over the course of the pandemic.

6.

Into the Future: Optimistic Outlook as Challenges Surface

Future

Organisations' resilience has been tested drastically over the course of the pandemic. The pandemic brought many significant and unforeseen challenges to organisations, requiring them to navigate and respond to these challenges as required.

As organisations look forward past the immediate aftermath of the pandemic, leaders are largely optimistic about their organisation's future. 86% of the leaders surveyed expressed some degree of hope about their organisation's future; however, 14% expressed some degree of worry as they look to the future.

Worry   **Hope**

14%   86%

Ways of Working Moving Forward

"

> "Our IT systems were very resilient and served us well for remote working. For some staff, the opportunity to work remotely full-time is something that they would like to retain in the future, there was no palpable loss of productivity there."

Significant changes were introduced in organisations during the pandemic. These changes, including to work practices, seem likely to remain in place as organisations recalibrate themselves to adjust to 'the new normal'. Sixty-five percent of respondents stated that they felt that many or most of the changes introduced during the pandemic would be retained, while 5% felt that the changes would be retained fully. Nine percent of leaders felt that the changes would be retained and would lead to greater changes. No organisation reported not making any changes as a result of the pandemic, and <1% felt that the changes made as a result of the pandemic would be reversed when staff return to the office. These findings indicate that the pandemic has brought about fundamental change to work and workplaces which will be maintained and in certain cases enhanced into the future.

65%
Many/Most of the changes would be fully retained

5%
The changes would be retained fully

<1%
The changes would be reversed

Into the Future: Optimistic Outlook as Challenges Surface

"It's become very apparent how much more productive people are working from home. It's empowering when people can work from home and for them to feel trusted when doing so."

What plans do you have for returning to the workplace?

Back to the Workplace?

A key outcome of the pandemic for organisations is the move to more blended ways of working, mixing the in-person office time with virtual work. Over half (58%) of organisations plan to introduce blended ways of working, with only 2% maintaining virtual work for most or nearly all of the time. Forty percent of organisations plan to maintain some aspect of office working, with only 5% of these respondents stating that all staff in their organisations will be back to the office full-time in the future.

"The implementation of new ways of working that was accelerated during the crisis proves that change can happen quickly if there is a will to embrace it, so keeping up the impetus for necessary change should be a key goal post-pandemic."

The presence of trust between leaders and staff seems to be an integral component of a successful hybrid work arrangement for both the organisations and the staff involved.

1% 1%
5%
8%
27%
58%
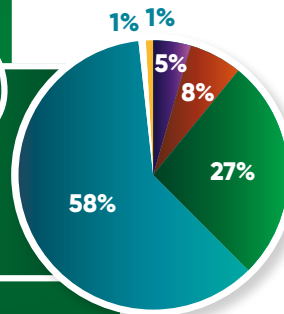
- All staff will be back in the office full time
- Most staff will be back in the office full time
- Some staff will be able to blend time in the office with virtual work, but mostly we will be back in the office
- Staff will generally blend time in the office with working virtually
- Most staff will operate virtually
- All staff will operate fully virtually

Optimistic Outlook but Challenges Remain

There is good news arising from the pandemic for organisations. Levels of resilience have been built up in many organisations. Forty percent of organisations feel that they have built up resilience with their staff to deal with future challenges, while 25% of leaders believe that 'pockets of resilience' have been built up among staff to give them some confidence to navigate future challenges.

> "The challenges of change and how people react when in that environment of the 'unknown'... our people really delivered when 'backs were to the wall', this gives great confidence as we look to the future."

However, increases in resilience were not present in all the organisations surveyed. 14% of leaders feel that their organisation's resilience is at pre-pandemic levels, and over one-fifth (21%) of organisations feel that their organisations would be unable to manage further disruptions due to staff wellbeing challenges, such as stress and exhaustion. These wellbeing challenges require immediate attention as organisations begin to navigate their future.

"Individuals with mental health challenges became way more prevalent in the business over the course of the year...Resilience is key as are teamwork and support in the form of 'time out from day job' even if it's a virtual coffee, it's hugely beneficial."

Into the Future: Optimistic Outlook as Challenges Surface

Having come through the crisis, how well are you set up to handle any further challenges?

- 21%
- 14%
- 25%
- 40%
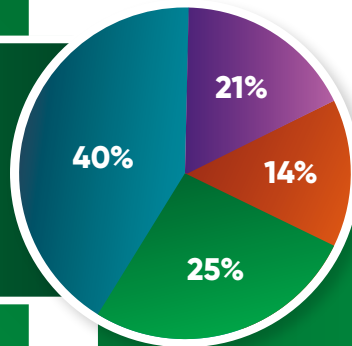
- Staff unable to face further challenges currently
- Back to pre-pandemic resilience levels in staff
- Pockets of resilience built with staff
- Confidence in staff being able to deal with future challenges

7.

Closing Remarks

The majority of organisations responded well to the crisis.

There were interesting outcomes despite challenging circumstances with **positive levels of resilience** built in most organisations. There were some notable and important findings in terms of aspects of organisational resilience.

Communication practices were navigated successfully by most organisations, yet there is scope for improvement for some organisations in terms of how they communicate with their staff as well as what information they communicate to staff. **Trust was built** in many organisations between leaders and staff, with gains highest in the public sector compared to the private sector. The practice of **leadership evolved positively** for many organisations and across most leadership groups. However, while most leaders are optimistic about the future of their organisations, **some challenges remain** with some organisations reporting **wellbeing concerns** among staff impacting levels of **organisational resilience**. These issues need attention as organisations look to the future.

8. Methodology and Acknowledgements

- The infographic version of this long read is available on IMI's website. It can be accessed here: https://www.imi.ie/wp-content/uploads/2021/10/IMI-Pulse-Infographic_Complete.pdf

- The survey was open to respondents for a three-week period from 14th May – 11th June 2021.

- The sample of respondents were chosen from IMI's database due to their level of seniority in their organisation.

- The survey was sent via, email using Microsoft Forms to 5,775 potential respondents. 392 responses were received (6.79% response rate) and included in the analysis.

- The survey was designed and analysed by Dr Colm Foster of IMI and Prof Matthias Beck of Cork University Business School, Ms Sarah Greeley of Cork University Business School assisted in the analysis of the survey. This long read presents a summary of key insights prepared by Dr Elizabeth Breslin of IMI.