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Teneo Insights

Trust Begins at Home

Employees' Trust in Employers Will Be Built, Deepened or Damaged in the Coming Months

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Uncharted. Unparalleled. Unprecedented. Coronavirus is changing how we live and work. Across the world, people are working from home, being furloughed or being laid off. Gone is the stress of getting into work each day, but it has undoubtedly been replaced by the stress of isolation, of keeping young children occupied or concern about older relatives. That is without taking into account the stress of contracting COVID-19, or symptoms that seem similar.

All of this is going to have psychological ramifications. Kerry J. Sulkowicz, MD, President-elect of the American Psychoanalytic Association, Senior Adviser at Teneo, with a track record advising some of the world's most respected CEOs and boards on people and culture, says this is also about a second pandemic – a pandemic of anxiety, a twin to the global coronavirus pandemic.

In turn, this will have significant consequences for the relationship that people have with their work and with their employers.

Shared Challenges in Protecting Human Capital

During the initial few weeks, businesses focused on putting the right HR support in place for people, making decisions on furloughing and pay, translating the usual employee touch points into virtual ones, and trying to keep up team morale for those at home.

Many will have quite rightly made each decision driven first and foremost by the safety and well-being of their people. Their actions may actually have helped to deepen trust and create greater employee commitment.

However, it looks set to be a long time before our places of work return to anything approaching normal. Companies are facing a real risk that a prolonged period of isolation and disruption leads to disengagement and threatens organisational culture long-term. Alongside the day-to-day decision-making, leaders will need to step back and consider addressing the protection of their most critical asset – their human capital – as a long-term strategic cultural challenge.

This is particularly difficult right now. One effect of anxiety is the tendency to focus on what's right in front of you. The things you can control. But this crisis requires leaders to address and manage things that aren't yet apparent. To do this means being able to shift at times from high-action to reflective mode.

The issues to explore are many and vary by business. They are not just HR or Internal Communications issues. They require the mobilisation of cross-functional teams, with leaders aligned and supported by the CEO. What follows are just three of the challenges and opportunities we are seeing to be shared by many.



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1. Dealing with Psychological Impacts of Change

Employees are experiencing mental and physical effects in different ways and different times. Some adapted well initially, but are now struggling with fatigue or burn-out. Others will have family and personal health issues. The social bonds with colleagues will be harder to maintain as time goes on and team cohesiveness will be impacted. Anxiety and isolation present a significant barrier to people bringing their whole and personal selves to work – critical to employee engagement.

Moreover, for cross border or multi-jurisdictional businesses, colleagues may be returning to work at different times, as different countries emerge from lockdown at different paces. Even within large but federal countries such as the USA, the rate of reopening physical manufacturing plants or stores may vary from state to state. So, leaders can find themselves managing some colleagues who are working – and being paid – overtime, while others remain on furlough. In this context, it is important that several competing cultures of ‘them and us’ are not allowed to emerge.

In dealing with this, it should be remembered that line managers are the most trusted source of information and support in any organisation. They should have as much control and authority ceded to them as possible to offer the support that employees will need. One client admitted to us that they were expecting their front-line managers to act as ‘counsellors’ at times. These people have the ability to deepen the commitment employees will feel, or hasten their disengagement.

How well companies are equipping them now to deal with psychological changes and keep people active, involved and contributing will have long-term consequences.

2. Purpose as a North Star

The concept of having a purpose beyond profit was dominant in the corporate world pre-Covid-19. The crisis is putting purpose into plainer sight. A company’s purpose should not just guide its social contribution in the good times. It should be its fundamental reason for existing and therefore a filter for all decision-making, in good times and in bad. From purpose flows a company’s core values and now is the time to rely on these as a guide to behaviours in order to keep the spirit and culture of the business alive and well.

As Dr. Sulkowicz notes, this is a defining moment in a leader’s career. Leaders are being scrutinized and they will be judged by their behaviours. Now is the time for them to show true moral authority, and not just the authority that comes from their position of responsibility. This means leading by example and living up to both their business and greater social values. Any discrepancy between stated values and observed behaviours will be noticed, especially by employees.

Purpose is also critical to productivity. A critical driver of engagement and performance is ‘meaning’ – a sense of purpose and feeling appreciated. This is harder in the current crisis where many feel unproductive or unable to contribute. It is worth considering how a company’s purpose can be used to give employees their own sense of personal purpose and meaning.

3. Accelerating Change

It is clear that for some, the interim operating models required by Covid-19 present an unexpected opportunity to make or accelerate more permanent change. This is particularly true of digital transformations such as improvements to collaboration, productivity and employee experience or cyber solutions to remote working.

This could also be an opportunity to strengthen employee engagement and culture. We know that employee trust in leadership is deeply impacted by transparency and a sense that their voice is heard. As people furloughed or working from home become increasingly distant from decision-making, there is a danger that they feel less involved and empowered.

Engaging employees now in critical planning around future operating models and the workplace post-Covid-19 could actually help to drive innovation. And by involving people more in decisions, about the business and about themselves, employees will feel a greater connection, higher engagement and greater sense of control. Hard work and productivity will follow.

Time Now to Look Forward

Successful companies recognise the importance of culture in creating value and understand that engagement is critical to productivity and growth. Building a strong culture doesn't happen by accident – it is the result of knowing what values and behaviours are required to deliver the purpose and business strategy and systematically driving this over time. In order to protect it, now is the time to understand the vulnerabilities, threats or opportunities and make a plan. Do you know what's going on in every part of your business? How will you get that perspective? How will you ensure that you can adapt to the new normal and come back from this crisis with your core purpose, values and culture intact?



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