McKinsey & Company

Re-energizing organizations for the long-term

Discussion document

December 2020

Covid-19 impact on society

~65M

Cases worldwide

~1.5M

Deaths worldwide

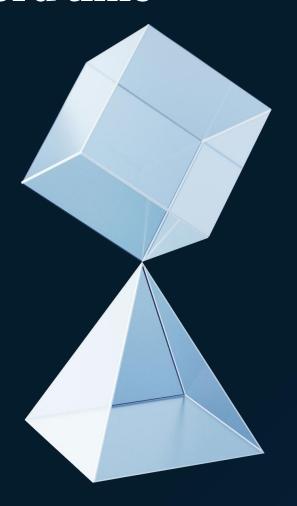
~10 trillion

Cumulative global output loss

>50%

Of world population have been under COVID-19 lockdowns

COVID has also seen organizations achieve heroic achievements in record time



Redeploying talent

A global telco redeployed 1,000 store employees to inside sales and retrained them in **3 weeks**

Launching new business models

US-based retailer launched curbside delivery in **2 days** vs. a previously planned **18 months**

Improving productivity

An industrial factory ran at 90-percent-plus capacity with 40 percent of the workforce

Developing new products

An engineering company designed and manufactured ventilators within a week

Shifting operations

Coordinating with local officials, a major shipbuilder switched from three shifts to two, with thousands of employees

Despite the upside, organizations and workforces are struggling with "pandemic fatigue," which if not managed could drag on for years

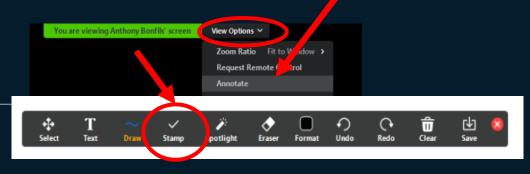
Post-crisis response stages Honeymoon Reimagine and (Community Cohesion) reconstruct a new "Heroic" beginning Pre-disaster Disillusionment Working through grief Warning Threat **Impact** Trigger events and anniversary reactions

75% of employees in the US report symptoms of **burnout**, and rising

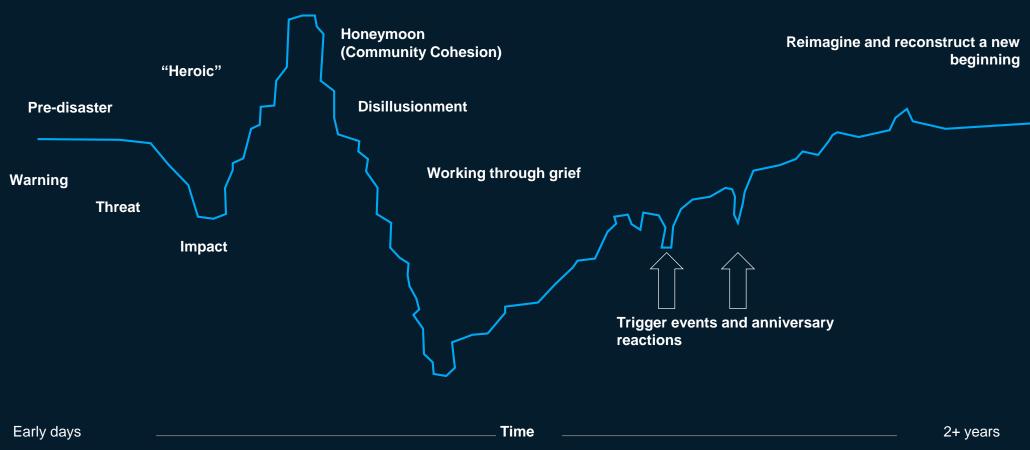
Employees report "very poor" mental health at a rate 3x higher than pre-crisis, and rising

39% of leaders report their own or a family member's **physical health** negatively affected by the virus, and rising

Where are you personally?



Post-crisis response stages



Where do you think your organizations are?

Post-crisis response stages



Even as recent news gives hope, it is more important than ever to proceed with bounded optimism

Post-impact stages of community crisis response



In the face of early good news, i.e., prospect of a vaccine, leaders should retain a healthy dose of realism about the timeframe and struggles still to come

Too much optimism too soon puts individuals and organizations at risk of further disillusionment

Leaders can help the workforce through these challenges, mitigate burnout, and recharge the organization with renewed energy

Post-impact stages of community crisis response



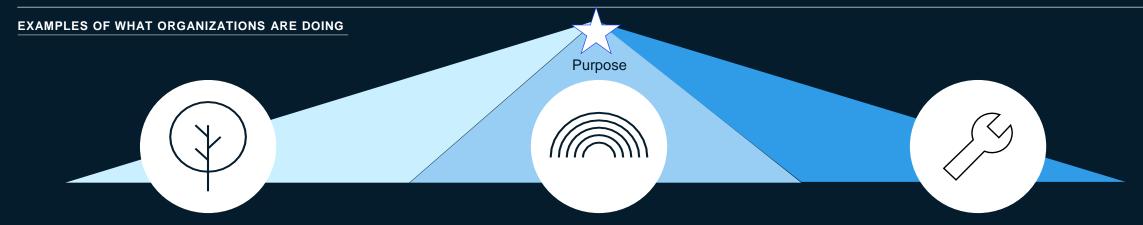
Leaders need to shift focus:

From: Responding to the crisis, using "steely grit" to endure, or being overly optimistic about "getting back to normal"



To: Providing empathy and support, creating a new narrative for the future, and building resilience & adaptability for what comes next

Recognizing that each organization will have to "learn its way" into the answer—it could include elements from a few related areas



Develop individual skills at scale

- Launch modular capability building program to help leaders develop resilient/adaptable behaviors
- Build communities and networks between learning cohorts

Focus on care, connection and well-being

- Re-write the narrative with purpose and bounded optimism
- Hardwire recovery and self-care and have leaders visibly role model its importance

Evolve the operating model for the future

- Reground in purpose and enterprise priorities
- Prepare for the hybrid workplace of the future
- Re-wire the operating model for speed and agility

((o)) Rapid listening throughout

APPENDIX

Since there is no 'one-size-fits-all' approach, the path to reenergizing an organization starts with listening

EXAMPLES OF WHAT ORGANIZATIONS ARE DOING



Listen to people



Executive listening sessions

For leaders to hear the authentic voice of employees and how they are really doing



Listen to data

Well-being, Employee Experience (eX) and/or Mental Health Survey Data

Can be used to identify employee groups with disproportionate needs

Crowdsource ideas

Through tech-enabled platforms like "Synthetron" or "Listening.app" to understand what's draining energy, what's working, etc.; NLP can help assess overall employee mood



Pre-existing data

business, etc.

Can be analyzed in aggregate to monitor where needs are most acute, impact to the

Beyond helping understand how your employees are really doing,

the mere act of connecting with and listening to employees has a major reenergizing effect



Develop individual skills at scale: Building capabilities on adaptability and resilience

Learning Objectives

- 1. Adopt adaptable mindsets and behaviors at the individual level
- 2. Foster adaptable, resilient teams using psychological safety and learning team behaviors
- 3. Orient the enterprise for adaptability and resilience

Target Audience

Enterprise-wide

Duration

Instruction time: 4-6 hours

Learning journey: ~3 months

Language(s)

English

Adaptability and Resilience addresses adaptability (the "learning and resilience muscle") at the individual, team, and enterprise level. A plug and play combination of digital self-paced learning, behavior and social reinforcement through the mobile Inspire app, and live virtual workshops.

Learning journey



Diagnostics



ਨੂੰ Virtual workshops

Pre- and postprogram adaptability assessments (both self-rated and rated by 2-5 nominated colleagues)

Four 2- to 3-hour virtual workshops to conduct deep dives into concepts covered by digital modules. Highly interactive, experiential, and effective for relationship-building among participants.

- · Personal resilience: Individual mindsets. awareness, well-being, and coping
- **Interpersonal resilience:** Maintaining attention, empathy, compassion, and vulnerability, even in difficult conversations
- Resilient teams: Building psychological safety and employing the tactics of learning teams
- Purpose: Organizational, team, and individual purpose in decision-making and prioritization

Digital learning

courses

Ten 15- to 30-minute digital

Required: Learning

Peer learning teams



Reinforcement

Social learning groups managed by the Inspire app including digital chat and live gettogethers

Inspire mobile app sends personalized, daily push notifications to reinforce behavioral change





intentions, learning habits, mindsets, awareness, wellbeing, psychological

safety, learning teams

Optional: Personal purpose, strong relationships, organizational team

purpose

Impact and testimonials:

99%

94%

recommend the program

found **content** relevant to their role

"This program is a great way to spend some time with colleagues, exploring new ways of communicating and interacting as we adapt to a new way of working. For me personally, the program gave me some reflection time and I left with more energy and more curious to keep trying and exploring new ideas."

Top 200 client executive, LATAM

"This is a unique opportunity to develop capabilities to help you lead your team in a way that's more effective, sustainable and fulfillina."

Client HR officer, NA



Focus on care, connection and well-being

What to get right		Illustrative examples of what others are already doing
•	Rewrite your narrative to help employees accept their new reality, grieve, and find optimism & purpose	Share image of what the future workplace could feel like; acknowledge what will never return to "normal"
•	Formalize the informal – build back time for caring human connection	Carve out significant time in the calendar and meeting agendas for informal check-ins on how people are really doing; encourage employees to seek community outside work
	Hardwire recovery and self care	Give a paid day off to all employees, "Zoom-free Thursdays"
(V	Get serious about freeing up capacity and ruthlessly prioritize	Calendar wipeout and clean sheet, sunset initiatives to radically reduce work in progress
V	Visibly act on employee input and feedback	Share in public forums the actions that have resulted from employee listening



Evolve the organization's operating model

What to get right		Illustrative examples of what others are already doing
0	Clarify and cascade enterprise purpose and strategic priorities so that all colleagues can focus on what matters	Assign full-time resources to top value initiatives and teams; pause or stop other efforts to free up and focus critical resources on the top priorities
	Refresh working policies to be more flexible and responsive to employee needs	Design future hybrid-remote working model with increased flexibility and employee choice, while enhancing connectivity and productivity
	Push decisions down and drive radical empowerment	Streamline/eliminate management approvals, steering groups and committees
(V	Rewire your organization's operating model for speed and agility	Move from an annual planning cycle to a quarterly planning cycle, with 90-day cadence to review priorities, flow resources (people, capital) to greatest opportunities, etc.
V	Revisit talent processes and performance management to drive learning, resilience and adaptability	Integrate new leadership behaviors (e.g., inclusive leadership, psychological safety) into performance management systems