



# THE WORLD VERSUS COVID: HOW TO WIN THE 'SECOND SET?'

By Sunil Puri & Elisa Mallis

## Based on Collective Wisdom of Asian CXOs

**W**hile Asian leaders continue to deal with the challenges associated with a global pandemic, they are also gradually bracing for the 'post-Covid' world. A world that, even with the most advanced analytical modeling, remains mysteriously difficult to predict and paint a reliable picture of. As China inches towards a fragile normalcy, the global business community is looking to Asia to lead the way into the unknown. This article, based on conversations with 20 C-Suite Leaders (CXOs) across Asia from different countries, industries, and organizations, identifies six paradoxes that leaders need to navigate in their journey to the 'new normal.'

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Preparing to Win in the Post-Covid World:

**6 PARADOXES YOU MUST NAVIGATE****1. SLOW DOWN,  
GO FAST****3. AXE THE FAT,  
PRESERVE MUSCLE****5. EMBRACE FLEXIBILITY,  
ENHANCE CONTROL****2. HIGH TECH,  
HUMAN TOUCH****4. GLOBALIZE DIGITAL,  
LOCALIZE PROFIT****6. EMPATHIZE,  
DISPLAY TOUGH LOVE**

From February 2020, the world has been hijacked by a pandemic that has brought the global economy to a screeching halt.

With revenues plunging between 20 percent and 80 percent for most organizations, the next few months will see bankruptcies for some organizations and ruthless cost reduction measures for most.

The CXOs we interviewed see the current disruption as a three to six month pause in the global economy. They suggest organizations just need to remain afloat until the pandemic stabilizes and the world enters a 'settlement' period, that will mark the beginning of a 'U' shaped economic recovery.

We have entered a three 'set' match of Covid vs. Humanity. Covid has clearly beaten the world in the 'first set.' CXOs tell us that the 'second set' will be tough and long, requiring extreme resilience from organizations, societies and nations. In order to win the 'second set' and 'third set,' bringing the derailed economy back on the path to resurgence, humanity must come together. As Noel Harari points out, "the world has a choice to either deal with the

crisis through nationalistic isolation, with each country competing for scarce resources, or through international solidarity and cooperation. This will shape the crisis and the world for years to come." The global business community has a major role to play and is rising to the challenge, with many of the hardest hit industries donating needed supplies and support internationally. Leading up to the G20 and in response to the pandemic, the International Trade Union Confederation (ITUC), representing 200 million workers in 163 countries, has issued an open letter calling on political leaders to commit to bold and coordinated actions that leave no one behind.

Asian CXOs unanimously agree that leadership will be the key differentiator between organizations that come out stronger post-Covid and those that will suffer and perish. "The human element will paradoxically increase due to this disruption, and what organizations do now in terms of people and clients will separate the wheat from the chaff," comments one India chairperson.

Interviewee CXOs shared six paradoxes around people and business that Asian leaders must navigate, and the essential skills needed to win the 'second set' against Covid.

# SLOW DOWN, GO FAST

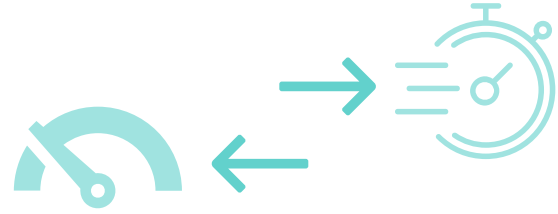
*To go forward fast, take time to...*

- Evaluate the situation holistically
- Reflect on potential tripping points
- Understand potential opportunities

Extraordinary situations require leaders to take extraordinary actions, and fast. Leaders may feel compelled to take immediate and sometimes drastic actions, but may need to pause. "Evaluate the situation, measure the potential damage and possible options," one advises. "We should not rush into decisions in crises, however much the pressure from stakeholders. Instead, collect as many data points as possible, and try to be cool-headed as you make decisions," he adds. This ex-banker predicts a renewed emphasis on data analytics post-Covid. Better control of the current situation may enable leaders to move much faster with subsequent actions and during the settlement period.

Conventional wisdom recommends that organizations innovate rapidly to generate new revenue lines. It is also a good time to look deeper, at the purpose of the organization. "Leaders must go back to the drawing board and revisit what the organization had set out to achieve and if they are able to do that in the new world," shares one founder. "Companies must revisit their touch points and question if they are adding value." Leaders must understand the depth of disruption, length of disruption, and anticipate what recovery may look like. While this exercise may not help solve the current challenge, it is a good point to start aligning resources with action plans. "It may help the leader differentiate between what is essential within the organization and what is fluff."

**“ Leaders must go back to the drawing board and revisit what the organization had set out to achieve and if they are able to do that in the new world.”**



Going slow will help leaders reflect upon critical tripping points, and identify opportunities. A lack of comprehensive business continuity plans (BCPs) was an obvious tripping point as organizations across the region scrambled to respond to the pandemic. "Leaders must think about strengthening their BCPs as they plan for the post-Covid settlement period," advises a regional CEO. Several CXOs concur that, while their BCPs took into account fires and earthquakes, a virus was never in the probability list; even though many organizations had endured the SARS epidemic in the early 2000s.

Opportunities on the table include cheap capital, and new regulations may help refine product development. "This is a great time to shore up liquidity," advises a board director in India. Progressive companies are shoring up cash with working capital and other debt, since the interest rates are low, and negotiating higher lines of credit.

Going slow early to absorb the impact and potential consequences will help leaders to move much faster as they implement even partially thought out action steps and tactics.

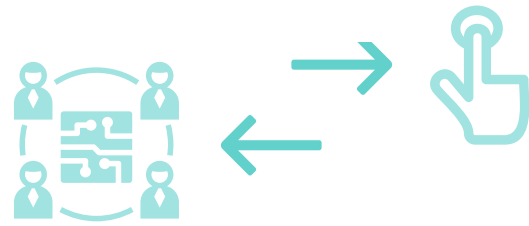


## Questions to Consider:

- ☑ How relevant, meaningful and possible will the purpose of your organization or business unit be in the post-Covid world?
- ☑ Have you analysed various future scenarios for the major Re-Set or Re-Size business changes you are making?
- ☑ Is your natural inclination as a leader to go faster or slower?
- ☑ How can you best leverage your leadership team or board to ensure you keep the right balance and pace during this prolonged crisis period?

# HIGH TECH, HUMAN TOUCH

- Roll out collaboration platforms
- Drive digital transformation
- Ensure employee-culture connect
- Work on employee engagement



One positive outcome of the pandemic and resulting work-from-home (WFH) practices is the pace at which technology adoption has happened across the globe. “Our organization has gone through 10 years of digital transformation in 10 days,” says one Asia-Pacific CEO. Employees have embraced virtual collaboration platforms overnight, and organizations are readily accepting that virtual conversations can be as productive as physical meetings.

As the world goes virtual for a prolonged period of time, organizations will need to be deliberate about retaining their culture. “HR will need to think through how the human touch is not compromised due to the high-tech environment,” shares one HR leader in India. “It is not an either-or situation; technology and human touch must not only co-exist but thrive together.” The current WFH situation is already making some bonds stronger. One leader shared, “Previously, when I worked remotely it was a professional relationship purely centered on business; now when we video conference we are turning on the camera more often and we are

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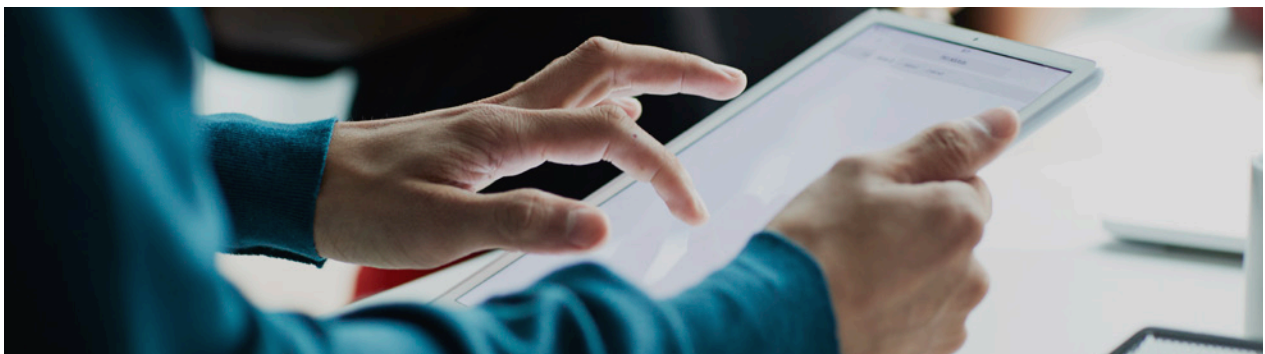
opening our personal side as well.” The collective and sudden immersion into the virtual and digital world is exposing employees’ need to belong to the organization’s community and be more authentic, possibly because they have lost the personal interaction at their work place.

Organizations who can arm their workforce to operate virtually and with an empathetic approach will witness an uplift in employee engagement and productivity in the post-Covid world.



## Questions to Consider:

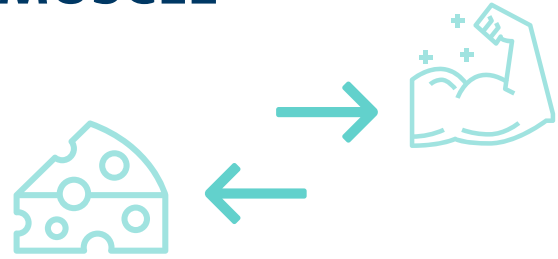
- ☑ What virtual tools and methods can you use to reinforce or refresh the culture and values of the organization?
- ☑ Have you created enough Live online opportunities with a human touch to meet the social and emotional needs of your employees?
- ☑ Which of the new work-from-home practices would you benefit from maintaining in the post-Covid world?
- ☑ What would enable you to have even better conversations and stronger relationships in a virtual world?





## AXE THE FAT, PRESERVE MUSCLE

- Cut discretionary spend
- Defer non-urgent expenses/investments
- Scrutinize need for physical infrastructure
- Don't hold back on technology investment
- Beware of critical talent reductions



The global economy is expected to slump into a recession in 2020. The World Trade Organization predicts that world trade will contract to one-third of the pre-Covid level. The Asian CXOs we interviewed are expecting a 25 percent to 75 percent reduction in revenue as the economy turns around. “We will be lucky if we get away with under 50 percent reduction in revenue,” says the CEO of a start-up in Asia. “At 50 percent you can make it; beyond that you are cutting into the muscle,” warns a regional Managing Director of a global executive search firm.

**“Organizations are in this introspection mode evaluating who is ‘essential’ in the organization, and who has the necessary growth mindset to thrive in the new world that may require a different skill set.”**

There is and will be immense pressure from stakeholders to reduce costs. CXOs have already taken the first pass at reducing commissions, bonuses, and marketing costs. New hire costs and promotions are highly scrutinized. Policies around furloughs and reduced work weeks are being discussed in board rooms. Many people may lose their jobs in the next few months, as enterprises become much leaner. “Organizations are in this introspection mode, evaluating who is ‘essential’ in the organization, and who has the necessary growth mindset to thrive in the new world that may require a different skill set,” comments the ex-CEO of a bank in Malaysia.

As telecommuting becomes the norm during the lockdown, organizations are questioning the merits of maintaining large, high-end offices in prime

locations. “Companies are waking up to ask why do I need to maintain a hundred thousand square foot office at Marina Bay; why not shift to cheaper places, or move to a smaller client-facing office with the majority of the staff working from home or shared offices,” shares a Singapore-based regional CXO.

Technology costs are emerging as business critical investments. A board director in one of the largest banks in Asia shared how a lack of adequate flexibility in their system is resulting in an inability to comply with the central bank’s guidance around loan deferment processes and accounting. Another CXO’s servers crashed as several thousand employees logged-in remotely. “No one anticipated that everything would be shut across the world, so the infrastructure was clearly not ready for it,” says the leader. “Technology upgradation is now the first priority.”

Organizations that take a balanced view of what to cut and how deep to cut, getting rid of the fat but preserving the muscle of the organization, will get a disproportionate advantage during the 'second set' and the settlement period.

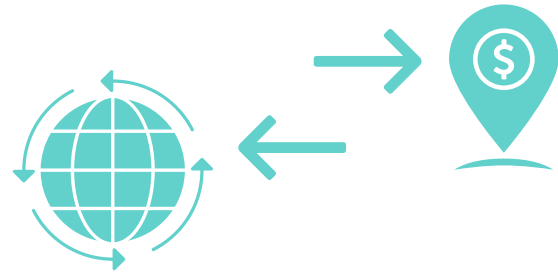


### Questions to Consider:

- ☒ Have you based your latest view of who and what is essential in the organization on a current or future model of success?
- ☒ What are the most important people skills you will need for success in the post-Covid world?
- ☒ To what degree will you need to re-define your business model and organizational structure?

# GLOBALIZE DIGITAL, LOCALIZE PROFIT

- Reduce focus on cross border movement of goods
- Instead, focus on cross border movement of data, information, capital
- Plan for localized profits
- Take control of supply chains



We are now fully entering the next wave of globalization which is digital, and includes an accelerated shift in economic power balance from West to East. This hastened era will rely much less on the cross-border movement of people and products, and much more on the movement of information, data and capital. Organizations and nations that can solve for the world with digital products will be best positioned.

Organizations that rely on physical cross border movement of products and people will need to lean more on localized profit over the next one to two years. This is true for Advanced Asian economies as well, where the supply chain will become more fragmented.

**“The Asian countries that are first to create a stronger pipeline of Asian leaders with a truly Global Mindset will have a significant strategic advantage in the post-Covid world.”**

The pandemic has exposed cracks in the global supply chain model that almost all large global multinational organizations have traditionally adopted, and are often very proud of. The manufacturing halt in China of a few weeks impacted almost all industries, including high-tech, pharmaceuticals, automobiles, white goods, and beyond. “India’s lockdown severely impacted high quality Basmati rice supply to most of Southeast Asia; even the coffee market is hit; and I shudder to

think if palm oil supply from Malaysia is hit. There are serious consequences for food security in the region,” comments a regional business head of a commodities trading company in Singapore. “Supply chains are complicated, and it is not uncommon for packing, material, fillings, labels, and consumption to be in different places. This machine will be redesigned post-Covid.” Supply chain gurus predict a move towards localization of supply chains, or at least multiple options to source components. There may be new national policies promoting local supply chains, particularly in critical industries. Industry analysts also predict a rebalancing of global supply chains away from China and towards Brazil, India, Mexico and Southeast Asia. Designed to be the world’s factory, and not the world’s importer, a big decrease on cross-border movement of products will be a blow. As such, the West to East shift of global power does not by default mean that China will emerge as the winner.

Both Asian organizations and Asian economies will need to pivot quickly to include more digital products and services in their portfolio. The West to East shift will propel Asian leaders towards taking on significant global roles in both Asian organizations and Western multi-nationals. Asian leaders will need to strategize, contextualize and roll out global plans for Asia and the rest of the world. Our [Global Asian Leader](#) research identifies a number of enablers to strengthen the pipeline of Asian leaders, including country level, organization wide and individual enablers. Three of the six strengths identified in the research that Asian leaders bring to the table act as a strategic advantage in the Covid era, including empathy, VUCA-friendly and strong work ethic. The Asian countries that are first to create a stronger pipeline of Asian leaders with a truly Global Mindset will have a significant strategic advantage in the post-Covid world.

# Must-have Covid combat capabilities

As the world inches towards recovery, leaders require several critical capabilities



**Empathy** to deal with the health crises, allay fears of employees, develop critical bonds with customers, and show solidarity with vendors.



**Trust** in and by stakeholders. They must demonstrate trust in employees to give their 100 percent with their new flexibility, and trust in vendors to clear outstanding payments. Leaders must also be seen as trustworthy by suppliers and key clients.



**Agility** to deal with multiple moving pieces in the national and global context that are impacting the organization. As the world starts to make a 'V' or 'U' shaped recovery in a few months, leaders must pivot their organizations' response around new markets, new competitors, new ways of doing business, and new work designs.



**Multi-dimensional thinking**, to think and act on multiple planes - to quickly scan potential opportunities, risks, stakeholder expectations, and deal with new world situations. "We must create leaders who can thrive in a super dynamic environment," advises a regional business head.



**A growth mindset**, to continuously look within, rediscover, unlearn and relearn skills. "Leaders must reprogram their mindset so that the automatic stress response does not overwhelm them and their teams," shares the chair of a global consulting firm.

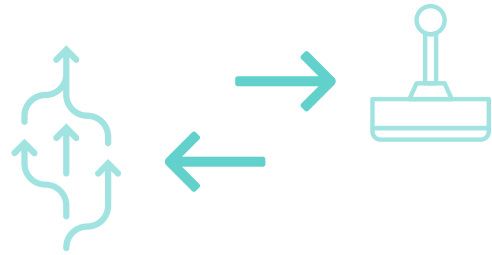


## Questions to Consider:

- ☒ What opportunities do you have to grow or expand your portfolio of digital products?
- ☒ Have you prepared scenarios of localized supply chains or partially localized supply chains on your business?
- ☒ How can you leverage the natural strengths of Asian leaders during this time of prolonged crisis?
- ☒ How ready is your pipeline of Asian leaders for larger regional and global responsibility?

# EMBRACE FLEXIBILITY, ENHANCE CONTROL

- Promote telecommuting
- Reorganize talent/people
- Set clear accountability expectations



The world will not go back 100 percent to physical face-to-face meetings format, in the interviewee CXOs' opinion. The almost global lockdown, being termed as the 'biggest work-from-home experiment,' is very rapidly re-wiring peoples' mindsets towards telecommuting. "Telecommuting is working very well, and there seems to be no big hit on productivity," shares an HR leader. "In the last one year, I travelled almost two dozen times for board meetings; I don't think I will ever need to travel as much for quarterly meetings, boards will physically meet only a few times, rest will be virtual," comments a board director. "Traditionally, only 5 percent people telecommute in Singapore, but in today's context, 90 percent are working from home," shared a Singapore-based CXO. "I don't think we will ever go back to 5 to 10 percent telecommuting; even if 30 percent people telecommute post-Covid, it is a huge mindset leap, both for people and their managers," she adds.

**“MDs and CXOs need to get used to this new world of walking into an almost empty office where the staff are working but remotely.”**

Organizations, especially managers, will need to get used to people working from home. Traditionally, telecommuting is not widely accepted in most organizations. "As an Asian and Chinese organization, we are very reluctant to allow work-

from-home," shares a leader who works with a China-headquartered company. "I have grown up in the western culture, where working from home was no problem, but things in Asia are different; this experience has taught Asian organizations that they must develop a deeper trust in employees working from home," he adds. For one shared service center in Mumbai this does not mean all 400 staff could operate remotely. However, the organization went on a massive exercise to equip and train people on telecommuting software and communication bridges, and 80 percent of the team is now fully functional working from home. "The operations have become so different now, and this will not go away post-Covid," shares the COO with excitement.

Another spin-off of working from home is less pressure on city transport infrastructure. "Our public transport has been under quite a bit of stress, especially during office hours," shares a public service leader in Singapore. "I am glad that pressure will ease a bit post-Covid as organizations get used to at least a fraction of people working from home; the country may not need to spend millions and billions of dollars to continuously upgrade local transportation infrastructure," she adds.

While leaders will need to trust their teams around work ethics, people also must show enhanced accountability to meet their work goals. Leaders therefore must get used to more flexibility, but simultaneously have tighter control to establish accountability and maintain productivity.

In order to grow during the settlement period and beyond, leaders must re-organize assets,



move talent around, and re-purpose a part of the workforce. This is especially critical for the most severely hit industries. In a leading airline, part of the cabin crew is being repurposed as health care workers and nurses, since the underlying skills in both jobs are quite similar. A CXO in the healthcare industry thinks the role of a nurse may itself undergo change, separating out the clinical aspect of the job from service management. "Certain jobs will look very different post-Covid, and there is a clear need for people to upskill themselves for new roles."

The flexibility Asian leaders adopt towards talent repurposing, organization design, and supply chain reorganization, will decide the amount of control they can exert on their assets as they shape their organizations' future.



### Questions to Consider:

- ☑ What new work-from-home approaches and structures have you put in place to maintain accountability and productivity?
- ☑ To what degree will you need to re-purpose your workforce and assets?
- ☑ Is your natural inclination as a leader to provide more control or flexibility?
- ☑ How can you best leverage your leadership team to ensure you keep the right balance or control and flexibility?

## 4 STRATEGIES FOR MANAGING REMOTE EMPLOYEES



**Clarify roles and expectations.** Dispersed team members require tactical direction. A team charter can help you stay on track, clarify roles, and meet your objectives.



**Establish procedures.** Establish norms and provide training for best practices such as meeting formats, use of technologies, and decision-making.



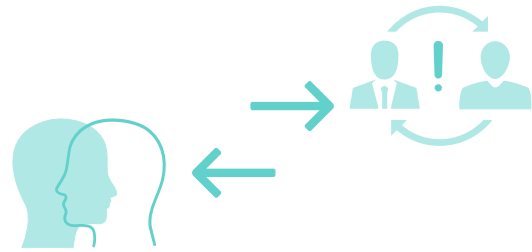
**Invest in trust.** Ensure that each team member feels responsible for your group's outcomes.



**Recognize the impact of differences.** When scheduling meetings and delegating responsibilities, factor in cultural considerations such as social status, language barriers, time differences, and distance.

# EMPATHIZE, DISPLAY TOUGH LOVE

- Allay employee fears
- Display client compassion
- Push employee to be comfortable with discomfort
- Set clear expectations with clients, vendors



The pandemic has drawn the world into the most significant health and economic crises of our lifetime. As well as social distancing, leaders at this point need to promote 'fear distancing' for their people – fear of illness, fear of salary cuts and fear of being laid off. "The first thing our CEO did was to get in front of thousands of employees and commit that there will be no layoffs till the end of year," shares an HR leader. Considering that there is serious need to allay fears, several organizations have followed suit to commit to zero layoffs, at least in the immediate future of six to nine months.

**“And once the storm is over, you won't remember how you made it through, how you managed to survive. You won't even be sure, whether the storm is really over. But one thing is certain. When you come out of the storm, you won't be the same person who walked in. That's what this storm's all about.”**

*Haruki Murakami*

Leaders also must empathize with the customers, vendors, suppliers and other stakeholders. "After the dust settles down, one thing that will remain the same is customer and employee focus," shares a COO. "In these crazy times, there is a critical need for enhanced customer and employee focus; their loyalty will separate the best from the rest," he adds.

Highlighting the need for client empathy, the CEO of a maritime start-up shared that as ships go empty and their stakeholders are in deep trouble, they are reaching out to their customers to reassure them that they will play along and not solely stick to the legal contracts. "We believe that organizations that demonstrate client empathy will have an upper hand post-Covid; if we make customers feel special they will remember the gesture."

While leaders must be empathetic, they must also subtly enforce the new rules of engagement. Employees must understand that they will need to stretch and take personal onus for making the organization successful, by developing newer capabilities, working extra hours, displaying customer centricity, and helping win incremental business. Clients must appreciate that stakeholders need to take a practical stand on relationships going forward. "We have to make hard decisions regarding which customers to provide extended payment terms, based on their loyalty, commercial relationship, size of contracts, and government support," explains the COO of a high tech company in Singapore.

We must not underestimate the tremendous physical and emotional strain these 6 paradoxes put on leaders during this prolonged time of crises. Each paradox pulls leaders in two different directions and along the way most will experience feelings of being torn, battered and broken. They will need to dig deep to discover how much adversity they can take. The ultimate 'heat experience', Covid will accelerate the succession plan which defines the next generation of leadership.



## Questions to Consider:

- ☑ Are you investing enough time and effort to show solidarity and compassion with your stakeholders?
- ☑ To what extent are you 'pushing' your employees to step out of their comfort zone?
- ☑ Is there clarity in new 'rules of engagement' with your key stakeholders?

## 4 TIPS TO INCREASE YOUR RESILIENCE



**Reframe how you think.** For example, ask yourself “What are the benefits of this situation?” or “What might my interpretation of the situation be missing?”




**Get adequate sleep.** Sleep is a built-in biological source of resilience that many leaders don't fully utilize.



**Find a substitute for sleep.** Take a restorative break during the day, such as a short nap, a walk, yoga, or break to meditate.



**Explore the power of positivity,** to help you find the good in any situation. Try keeping a gratitude journal, where you note 3-5 things you are grateful for on a daily basis.



“We must empathize with our clients in trouble, as we believe that post-Covid, organizations that show that understanding will have an upper hand; if we make customers feel special they will remember the gesture.”





## Prolonged Recovery

Asian CXOs suggest that it will take three to six months for the economy to start recovering, hopefully bouncing back completely by mid-to late-2021. While many organizations are still fire-fighting to arrest the downward spiral, exemplar organizations and agile leaders are already plotting their come-back.

The current crises must convert into collective energy. "Crises often spurs an animal spirit in human beings, the spirit to fight back relentlessly," shares one leader. "After the Second World War, countries that had the animal spirit such as Germany and Japan witnessed huge successes."

Societies, organizations and nations will clearly need to dig deep inside their collective conscious to rise above the fear and win the 'second set' against the pandemic. Humanity must win at all costs. The win will depend on enlightened leaders at all levels, across thousands of organizations and hundreds of nations, to define and shape the victory.

**If you are interested in learning more about CCL's research on leadership, its live online leadership development programs or how CCL can help during this crisis, please contact us at [ccl.apac@ccl.org](mailto:ccl.apac@ccl.org) and visit [www.ccl.org](http://www.ccl.org)**





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