

COVID-19 as an accelerator for connected organisation
Management summary

Virtual world, June 2020

Introduction

Before COVID-19 we conducted an academic study that identified: **Purpose, Ecosystem, Adaptability, Real Empowerment, and Leadership** as characteristics that are fundamental to an organisation's continued success, making them more agile, flexible and resilient in the face of future challenges and opportunities:

Purpose: All activities and people are directed by and find meaning in a purpose that goes beyond financial performance to create a positive impact on the world and purposeful advantage for the organisation.

Ecosystem: The organisation is a seamless network of highly autonomous, interdependent units. It challenges traditional notions of hierarchy and the idea that the organisation is a self-contained entity.

Adaptability: The organisation seeks, anticipates and welcomes change, embracing a state of ongoing flux. The organisation employs ways of working that proactively anticipate potential adjustments, ensuring its flexibility and nimbleness to adapt at pace.

Real Empowerment: The organisation carefully manages authority, decision-making and autonomy to bring the best out of each member, fostering a spirit of entrepreneurship.

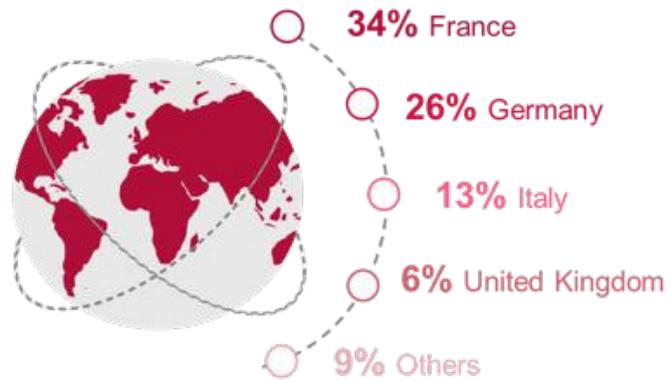
Leadership: Leaders are 'connective leaders', acting as catalysts and conductors, facilitating connections and creating a diverse environment where people can be inspired and authentic, and where change and people can flourish.

We recently conducted a follow-up to the original study to investigate the key actions organisations have taken to respond to the crisis, and to identify which traits are most fundamental to each organisation's future prosperity.

This presentation begins with an overview of the PEARL framework and its operationalization, leading to the explanation of the survey results. Thereafter the results for each trait are summarized and explained, with our recommendations as closing chapter.

We received answers from all over the world from companies of all sizes

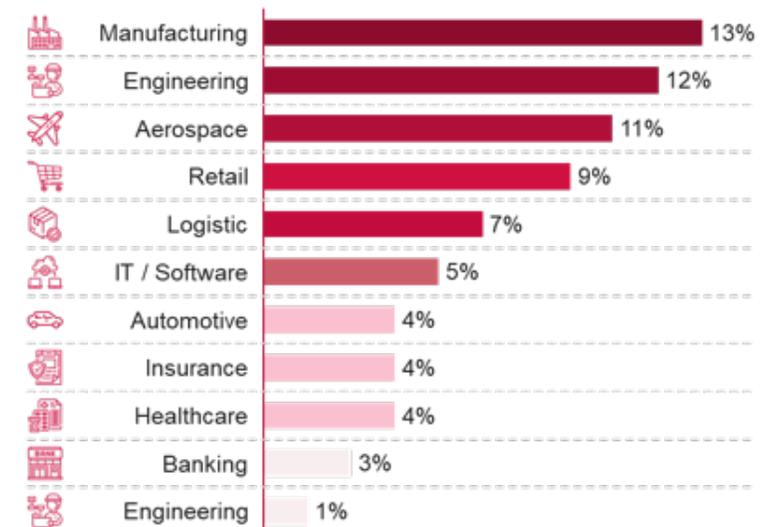
Geographic split



Company size



Industry



Key findings



We, as Transformation Alliance, believe that **Purpose, Ecosystem, Adaptability, Real Empowerment, and Leadership** are **essential** in crisis management and the ramp-up as we get to grips with COVID-19. Even if further developments cannot readily be foreseen, one thing is certain: The re-start and recovery is ahead. In this phase adaptability, willingness to change and speed will be essential factors in any organisation's success.



The results of the pulse check show that purpose will soon become even more important: **The majority of the participants (73%)** indicated that due to the current crisis there will be an **increased orientation to the purpose**.



The introduction of **agile processes and structures at management level** is the **biggest challenge** for most organisations. **Over 30%** of the participants assessed their **current processes** as **rigid and inflexible**. In contrast, **89%** of the participants rated the **relevance** of agile ways of working and the implementation of agile management processes as **very or highly relevant** for the future.



It is also crucial that organisations consider the **empowerment and autonomy of employees and teams**. Fluid systems must be created, allowing employees to organize themselves autonomously. **80% of participants see this as a further prerequisite for a successful organisation in the "new normal"**.



This transformation is essentially characterized by **organisational resilience**. 61% of respondents considered the ability to operate in an uncertain environment to be increasingly relevant. The highly volatile environment caused by COVID-19 makes it even more essential for leaders as well as employees to deal with uncertainty and ambiguity.



The study clearly shows **that the 'connected organisation' is the organisational model of the future** and **COVID-19 has accelerated the need** for transformation. Only organisations that succeed in combining purpose, ecosystem, adaptability, real empowerment in a sustainable way can prosper in the long term.

COVID-19 leads to increased focus on purpose: Purpose will be the central point of orientation for companies

Purpose



Overview of the results of the trait „Purpose“

- **69%** stated that employees are already clear about the organisation's purpose, yet
- **74%** say that the orientation to the organisation's purpose will be stronger after the crisis
- **19%** of the respondents will re-formulate the organisation's purpose after COVID-19
- **72%** answered that communicating and demonstrating the organisation's purpose will be more or highly relevant in the future.

Organisations must establish a culture of transparency and allow teams to reorganize themselves based on the projects and topics occurring

Ecosystem



Overview of the results of the trait „Ecosystem“

- **69.4%** said that knowledge sharing will be more or highly relevant in the future because of the COVID-19 crisis.
- This is underlined by **72.6%** focusing on the establishment of company-wide cooperation as future success-factor.
- For **80%** the establishment of team-of-teams, with employees reorganizing themselves, will be even more relevant in the post-COVID ramp up
- Preparing for different scenarios and staffing teams accordingly is the best way for organisations to prepare themselves for the “new normal” and to react appropriately to rapidly changing circumstances.

Implementing agile structures will be a significant but transformational challenge for most companies

Adaptability



Overview of the results of the trait „Adaptability“

- More than **30%** of respondents assessed their management processes as rigid and inflexible.
- But for **78%** the transformation towards new ways of working and the implementation of iterative procedures, coupled with fast learning cycles and accompanying reflection are essential.
- Furthermore organisations resilience will become more important. While more than **56%** judged the ability to deal with ambiguity before COVID-19 as non-existent, more than **60%** consider this ability to be relevant for the future.

Delegation, taking decisions on the lowest level possible leading to the real empowerment of employees will be highly relevant

Real Empowerment



Overview of the results of the trait „Real Empowerment“

- Real Empowerment is a crucial trait for all companies to consider when managing the crisis and preparing for the ramp-up.
- Over **35%** of respondents stated that they do not make decisions at the lowest level possible.
- However, the crisis has resulted in a clear turnaround: **50%** percent assessed empowerment as highly relevant.
- In this term autonomy of teams, information availability as well as a culture where people can “speak up” are essential aspects to consider.

The attitude and authenticity of leaders and the focus on employees are central aspects in the crisis

Leadership



Overview of the results of the trait „Leadership“

- Putting people first. With almost **90%** approval, this is the most important task of managers in the COVID-19 crisis.
- For nearly **70%** developing and embedding competencies is a core responsibility of the leadership team.
- Leaders must improve their ability to delegate and give employees the necessary autonomy to organize themselves based on the relevant topic.
- As a leader it is therefore necessary to be aware of the need to act as a “facilitator” in order to immerse employees and teams within an environment that encourages personal growth, autonomous action and empowerment.

What should organisation focus attention on

Our recommendations



PURPOSE

- Showing the link between purpose with projects and activities to ensure the identification and appreciation of employees
- Assess the alignment of the organisation – especially the understanding and commitment of the employees
- Use of KPI's, which are aligned to the purpose, to ensure sustainability, long-term orientation and authenticity



ECOSYSTEM

- Transforming towards flexible, fluid organizational structures
- Project and topic-based staffing of cross-functional expert teams
- Implementation of new (virtual) working methods and relevant technologies to strengthen cooperation and flexibility
- Building strong relationships with external partners - with transparency and trust as cornerstones



ADAPTABILITY

- Combination of scenario-based planning with an iterative processes to allow adjustments and realignments
- Flexibilisation of management processes through agile ways of working, structured reflection and fast learning cycles
- Building organisational resilience in order to act in times of uncertainty and at high speed of change



REAL EMPOWERMENT

- Take decisions on the lowest level possible - define clear responsibilities and accountabilities
- Empower employees to take data-based decisions - ensure data availability and access for all employees
- Strengthening a culture in which employees "speak up" - promoting innovation, new ideas and opportunities



LEADERSHIP

- Awareness of the relevance of a manager's attitude and mindset
- Focus on "people skills" in the development of leaders - moving away from functional experts to connected leaders
- Creating an environment in which employees act autonomously and acquire new, relevant skills