



Boards and the COVID-19 crisis: Leading right now, preparing for the future

What board members should keep in mind now to prepare their companies for the post-crisis world.

A crisis of the magnitude of the COVID-19 pandemic acts like a magnifying glass when it comes to the strengths and vulnerabilities of all businesses. The most immediate focal point is how companies respond to this unprecedented disruption: how they treat their employees, suppliers, and wider communities. Over the long run, boards and leadership teams will also have to focus on getting back to growth. As they look forward, boards, working with their leadership teams, should consider four key areas: the role of purpose and authenticity, how to make the most of the sudden shift to entirely virtual ways of working, the value of extraordinary collaborations, and their own membership. Boards that are thoughtful in these areas will be best positioned to help their companies thrive now and after the immediate crisis passes.

Act with purpose and authenticity

The actions boards and senior executives take (or don't take) are critical reflections of their core mission. Boards that are aligned on their purpose, and the purpose of their organizations, will be able to create a clear road map to navigate the crisis and provide a sense of stability. Holding to purpose for difficult choices is an effective guiding principle in a context where organizations will have to make numerous challenging, ethically charged choices. For example, any large company will have to manage the fact that governments are responding inconsistently to the crisis, leaving companies to determine what's fair for their workforces and their other stakeholders. Short-term decisions such as layoffs, furloughs, reduced hours, or pay cuts are likely necessary for many organizations to survive, but they will have to be weighed against the experience and engagement needed to come out of the crisis whole and healthy as a business.

Many companies have stepped up in ways consistent with their defined purpose: Inditex and H&M are using their supply chains to source and manufacture protective wear,¹ PepsiCo is providing 50 million meals for at-risk people all over the world,² British American Tobacco (BAT) is using its US biotech subsidiary Kentucky BioProcessing to develop and produce a COVID-19 vaccine,³ and General Motors has retooled one plant to produce protective masks and another to assemble ventilators.⁴ The list of companies that have offered their facilities, resources, and financial support to combat this pandemic and preempt its potentially devastating consequences is impressive—and growing each day.

Relying on organizational purpose and values to navigate change is possible only when leaders at all levels are aligned on them and back them up with consistent actions and decisions.⁵ All board members have to live and breathe the organizational purpose and hold the leadership team to the same commitment yardstick.

Indeed, the quest for leaders who demonstrate authenticity, transparency, agility, resilience, and the ability to speak to a purpose has intensified in recent years, and we expect that focus to continue at the same high level once the immediate crisis passes. One of the most remarkable features of many companies' response to the pandemic has been the immediate and frequent public reassurances about what the crisis means to the company, employees, and wider stakeholders, and how the organization is tackling the crisis and its potentially devastating consequences. At a time when public scrutiny has been laser focused on each CEO or board member when he or she speaks, more than ever corporate leaders have been communicating these difficult messages in a clear, transparent, and compassionate manner. Those who have shown authenticity, humility, and empathy and been masterful storytellers have been the most successful.

Make the most of digital

The sudden move to operating in a fully digital environment could go a long way toward shaking up some of boards' norms and traditions. As board members have had to become instantly adept at managing online annual meetings and regular events, they can benefit by taking advantage of video and other remote tools to communicate more frequently with their fellow board members and executive teams for formal meetings and one-on-one conversations.

Smart boards will embrace more frequent (albeit virtual) face-to-face conversations and the sometimes unexpected intimacy of seeing people in their homes, which will ultimately allow them to interact more with their fellow board members and stakeholders, build stronger personal relationships, and strengthen board dynamics. A more advanced level of digital proficiency will also improve information flows and smooth decision-making processes, which are vital now and in the future.

For boards that have had less productive cultures, the current crisis can also act as an accelerating agent. This is an opportunity to fast-track digital dexterity in the boardroom—forward-thinking chairs will openly discuss both *what* the board does and *how* it gets done, and what works and what needs to change. The rapid immersion into a digital way of working will give board members firsthand insights and experience into digital transformation and customer experience, which will bolster their ability to competently lead their organizations through the next stages of digital acceleration.

Even when in-person meetings are again possible, we expect boards to continue to incorporate a significant digital component into their regular work patterns, as boards and leadership teams alike start feeling the benefits of a more personal and regular communication flow.

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1 Mary Hanbury, "Here's what major retailers and beauty brands are doing to support the fight against coronavirus," *Business Insider*, April 2, 2020, [businessinsider.com](https://www.businessinsider.com).

2 PepsiCo, "PepsiCo commits more than \$45 million to combat the impacts of COVID-19, providing vital local humanitarian support and distributing more than 50 million nutritious meals worldwide," press release, April 2, 2020, [pepsico.mediaroom.com](https://www.pepsico.com).

3 Patricia Nilsson and Clive Cookson, "BAT joins race to develop COVID-19 vaccine," *Financial Times*, April 1, 2020, [ft.com](https://www.ft.com).

4 General Motors, "Mobilizing to combat a global crisis," [gm.com](https://www.gm.com).

5 Rose Gailey, "Leading through the crisis by counting on purpose and values," *Heidrick & Struggles*, March 31, 2020, [heidrick.com](https://www Heidrick.com).

Seek and learn from extraordinary collaboration

Companies need to explore how they can go beyond their boundaries to thrive in a future that is even more volatile and uncertain than it appeared at the beginning of 2020. There are some extraordinary examples of collaboration happening in response to the crisis, from governments sharing information and supplies, to companies offering resources to fill critical gaps, to industry-wide coordination and public-private initiatives. Infosys's foundation, for example, has partnered with Narayana Health, one of India's largest healthcare providers, to open a quarantine facility for COVID-19 patients from less affluent demographics.⁶ Large pharmaceutical companies are working on developing a vaccine with research groups, biopharma companies, universities, governments, and, as we noted, tobacco firms. Dyson has designed a ventilator in 10 days in collaboration with the United Kingdom's National Health System (NHS) and regulators; JCB, a construction manufacturing company, is producing the steel housing for the ventilators.⁷

As many organizations are forging new partnerships and testing their ability to repurpose entire supply chains overnight, they will discover unknown avenues to innovation and growth—and they will benefit in the long term from continuing to seek new, unexpected collaborations. Boards can offer both suggestions for collaboration and guidance to executives who might be on uncertain ground.

Recalibrate the board

Today we see boards highly valuing members with nuts-and-bolts operating experience in their own industry as well as those with experience leading through a crisis. Boards have often sought this kind of experience in the past, but those board members' value is markedly higher today. In the near term, we see companies adding board members with investment and financial skills and legal, regulatory, and restructuring experience.

That said, the creativity and fresh perspectives that diversity—of nationality, race or ethnicity, gender, and age, as well as experience—brings will also be invaluable to companies seeking to start down the path to recovery and growth. A truly inclusive, diverse board offers a company the best odds when it comes to framing comprehensive risk and opportunity scenarios that its strategy will have to address, and to ensuring the company has the executive leadership to help it thrive.

As the current pandemic unfolds and governments around the world are still trying to determine the best strategies to reach what could loosely be called a new normal, boards will need to lead their companies through multiple challenges and wild cards. Focusing on purpose and authenticity, making the most of digital, being open to extraordinary collaboration, and maintaining an inclusive board with the right mix of members will help them navigate today's turbulent times and set them up in a competitive position for the future.

⁶ Infosys, "Infosys Foundation partners with Narayana Health City to open 100-bed quarantine facility for COVID-19 patients," press release, April 1, 2020, [infosys.com](https://www.infosys.com).

⁷ Nada Bashir, "James Dyson designed a new ventilator in 10 days. He's making 15,000 for the pandemic fight" CNN Business, March 27, 2020, [cnn.com](https://www.cnn.com); and BBC News, "JCB set to help with ventilator production," March 30, 2020, [bbc.com](https://www.bbc.com).

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