



IMPACT

CEO Business Leadership Survey 2020

Priorities and plans in times of uncertain change

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About this work

Impact has spent 40 years helping organisations to learn, adapt and grow their businesses. We now find ourselves living through a unique period in our collective history where the nature, pace and scale of uncertainty is unprecedented. At Impact we are learning and adapting as we always have, and we are working with a large number of global clients to help them do the same.

In undertaking the work behind this report, we wanted to understand more widely how senior decision makers in companies across the world are responding to this period of uncertainty. We wanted to explore how they see their priorities and plans and particularly hear about the things that they are learning and the things that they know will need to change ahead.

We surveyed over 100 business leaders from across our global network, including businesses from a range of sectors and a range of sizes.

In sharing the analysis and conclusions from this work we hope we can contribute to the wider conversation about where businesses go from here and how their leaders might take them there.

About Impact

Impact help organisations meet the challenge of increasing complexity and growing uncertainty by discovering, inspiring and liberating human potential.

We use our unique experiential learning practice, which we have continued to develop and refine in collaboration with our amazing clients, brilliant facilitators and talented academics and researchers from every part of the world.



Foreword

from David Williams CEO and Founder, Impact

The coronavirus sweeps through the world like a tsunami wave. Ignoring national borders; showing little discrimination as to who it infects or kills; sweeping aside any attempts to deliver “business as usual”.

This report arrives at a pivotal moment for both business and society. The economic cycle is broken, or at least disrupted. Usual ways of operating have changed, possibly forever, maybe for the better.

A search for different answers has begun. As we turn our attention to “what’s next?”, preparing to restart our economies and lives, we are adapting to meet the restrictions and opportunities that have emerged as a result of the virus.

We also remember the challenges we faced prior to the crisis. Coronavirus came in on the tail of record levels of rainfall, hurricanes, bush fires, droughts and ice melts. The effects of climate change are all around us, along with a continuing loss of biodiversity. A slowing of the global economy, the fragility of supply chains and increasing inequality all collude to expose the vulnerability of certain business models.

So, what have we learned? The survey indicates that responding to the crisis demands deep adaptation. Social isolation and virtual working emphasise the need for accelerated digital transformation. Ever present change and uncertainty prioritises agility over planning. Authentic regular internal communication from the top is vital. Leadership can allay anxiety and fear by encouraging collaboration and sharing. Humanity is clearly at the heart of all organisations.

The crisis enables us to see more clearly what we are capable of achieving together. Bringing into focus what needs to be done globally and locally to secure our future on this planet.

A new agenda for business is emerging. Questions are being asked that will never go away. We need leadership that embraces a different way of thinking and a new way of working. Leadership that can re-imagine how business will become a catalyst for positive change.

Leadership that liberates human potential.





Introduction

It seems that a global pandemic creates a sense of commonality, a connection, a feeling that we are all in this together despite huge social, cultural, geographical and economic differences.

One of the remarkable things that emerges from our research is the sense that leaders in businesses everywhere are experiencing the world in very similar ways despite representing very different businesses (in geography, sector, market and scale).

Company leaders are facing in the same direction, confronting the same issues and are trying to solve similar problems. Perhaps if the problems are very similar, the solutions are very similar too. One of the difficulties that all organisations have in learning from "best practice" is a sense that they are all different. And of course, they are. But it is also true that their similarities are as important as their differences and this is a central learning point from this research. We believe that this sense of commonality is a sign of hope that, by working and learning together, as leaders in businesses we can successfully navigate ahead towards a profitable and more sustainable future.



The key themes

Four key themes emerged from the research: change, communications, leadership and relationships.

Effective leadership and management count more than ever

There is an old saying that leaders are like teabags, you never know if they are any good until you put them in hot water; a lot of leaders are definitely in hot water right now. This is because the quality and effectiveness of leadership and especially leadership action is key to responding to uncertainty. Put simply, leaders have to lead and be seen to be leading. Uncertainty creates gaps in understanding, strategy and performance, and leaders have to step up and step in. Being visible internally and externally, finding the right balance between leading and micro-managing, and being consistent and transparent, are all important. Leaders lead through making decisions and being decisive, not putting off tough calls or fudging the approach; leading means taking action when it is clear that action is required. Successful leaders are staying close to their customers and clients, and are as concerned about maintaining, developing and building relationships as they are about the technical and financial details of leading their businesses.

The need to transform communications internally and externally

Dispersed teams and home-working have placed a premium on leaders' ability to communicate effectively. Decisions need to be taken but they also need to be briefed and understood and actioned. Many companies have found their internal briefing systems to be missing or inadequate and have struggled to get out timely and consistent messages to a dispersed workforce, creating unnecessary inertia and slowing things down. Using technology to improve communications presents both opportunities and challenges as leaders and employees have to rapidly learn to use new tools effectively. Equally important has been the need to listen, to understand what is happening across the business as things are changing quickly. Communication is also about connection; as employees become remote from each other and from leadership, the quality and frequency of one-to-ones is vital. For some, the discipline of regular one-to-ones needed to be reinforced or reinstated to ensure that all employees feel connected, supported and listened to and that managers and leaders understand what is happening in every corner of their operations.

Change is being forced rapidly and at scale

It has almost become a meaningless truism that the pace of change is increasing. But the scale of the threats and opportunities sweeping across markets, supply chains and value chains right now have forced change at an unprecedented rate. Here leaders have been tested by the need to ruthlessly prioritise resources and effort, to restructure and to drive redundancy out of their systems. Many have found that they need to be more people-focused than ever before. In the teeth of externally imposed change, leaders have had a laser focus on the purpose of their organisation and the value they create for customers/clients as a flag around which employees can organise and take action. Leaders have been especially focused on the work, who is doing it, what is done and how it is done. We know that it is changes in the work where real change happens in an organisation. One of the things that leaders are struggling to deliver is agility, the ability not just to adapt to a new set of circumstances but to retain an adaptive capacity as the external environment continues to shift.

Relationships, the human connections, are now at the heart of everything

One of the paradoxes of the move to widespread remote working is that leaders have had to focus on a new and deliberate process of keeping people connected to each other, to the work and to the business. Internal communication processes have had to be remade and skills in communication – including using the technology effectively – are now vitally important. Mental health and wellbeing is also a deepening concern as all of us try and adjust to a new world forming around us and cope with the attendant anxieties and uncertainties. The ability of leaders to engage in meaningful dialogue with colleagues and with customers/clients is crucial in helping to build a culture of enquiry and learning as a way of leading in the unknown. Leaders have always had the responsibility to weave the fabric of their organisations together; the current situation has placed a premium on the ability of leaders to lead people (and not just organising work or prioritising the numbers). More than ever, we feel the truth of the idea that all our organisations are simply groups of people working in service to other groups of people.



What does the future hold?

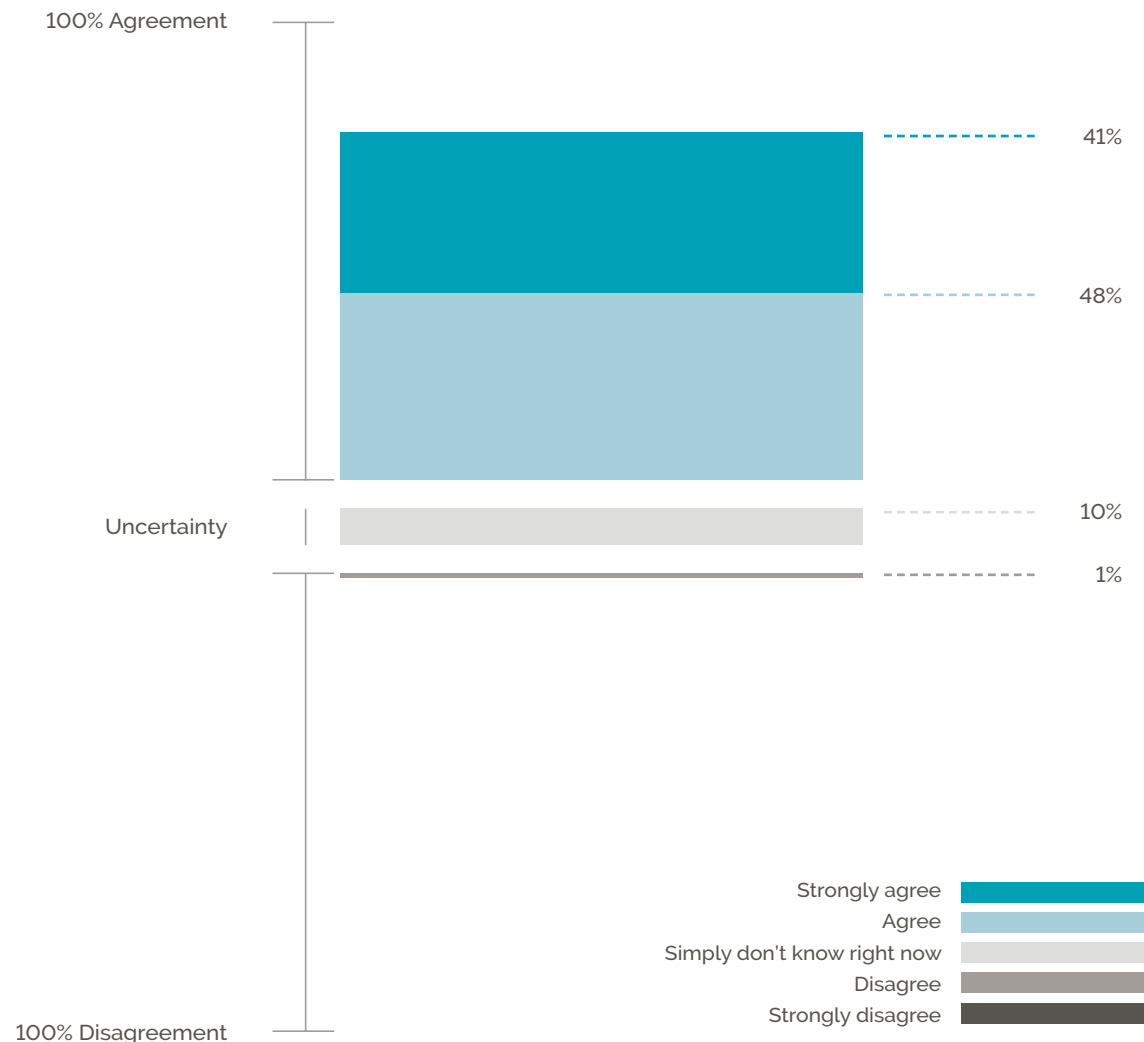
We wanted to explore how confident leaders are about the future of their business right now, alongside some broad understanding of the scale of the change that leaders think is now required to meet the future confidently.

89% of respondents agree or strongly agree that they are confident that their organisations will emerge successfully from the crisis.

One of the very positive things highlighted by our research is that overwhelmingly, leaders are confident that their organisations will emerge successfully from the current crisis. 41% strongly agreed that they are confident with 48% saying they agreed with the statement.

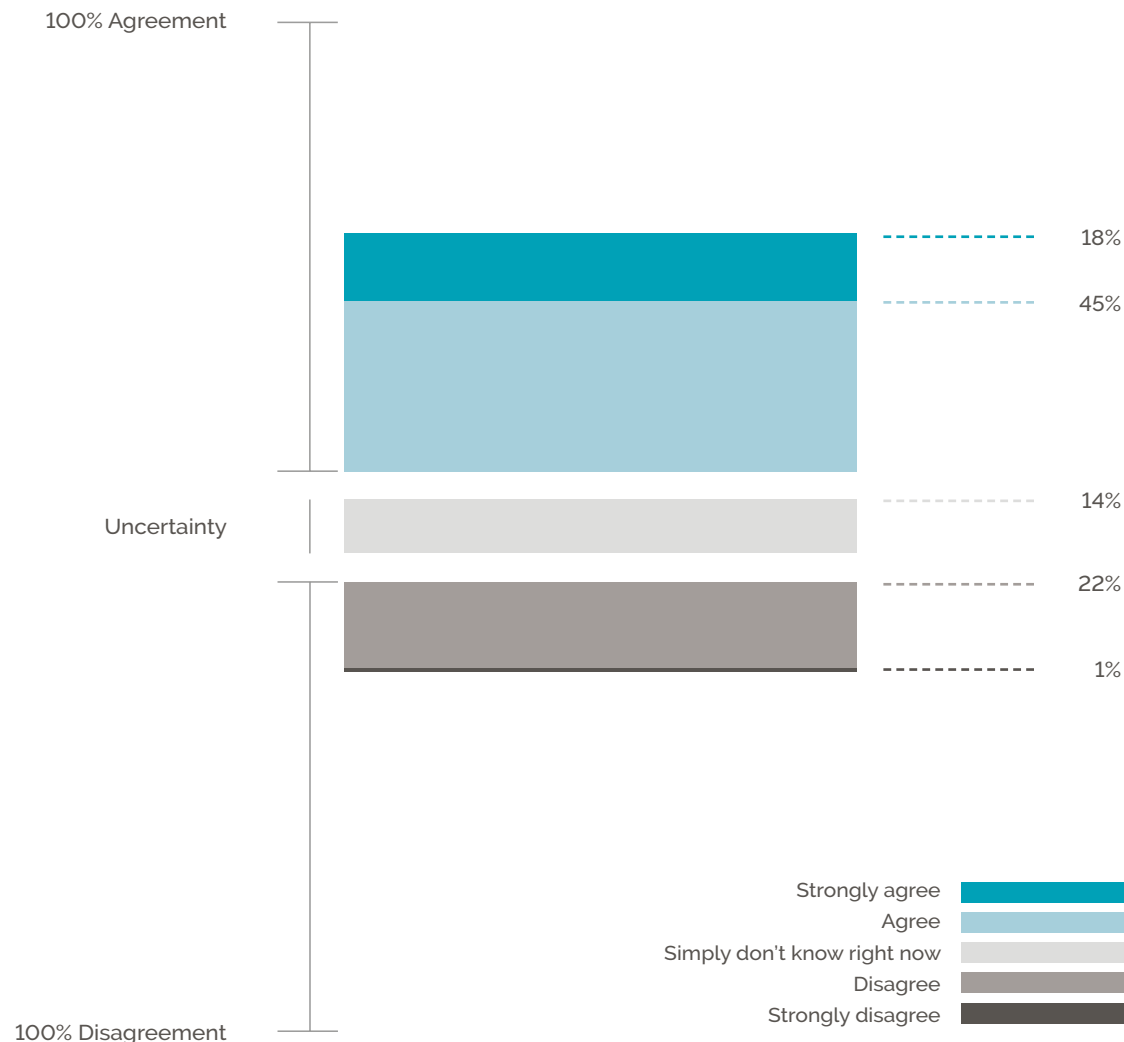
This is important at two levels. Firstly, at the macro level, these results suggest that leaders are coping well with the crisis and continue to feel hugely positive about future trading conditions and market position ahead. This testifies to the ability of organisational leaders to adapt and learn quickly, responding to new and unfolding circumstance effectively. Secondly, at a human level, one of the vital roles that leaders play in a crisis is to hold their organisations' anxieties and be a shield against negativity. It is hugely important that leaders continue to be focused on solving problems, creating the conditions for innovation (either process or product/service innovation) and helping to keep colleagues focused on the work and on clients/customers.

Participants were asked to rate the following statement:
I am confident that my organisation
will emerge successfully from
the Covid-19 crisis



Participants were asked to rate the following statement:

My organisation will need to
change significantly in light
of the Covid-19 crisis



63% of respondents agree or strongly agree that their organisation will need to change significantly in the light of the Covid-19 crisis.

One of the features of living through a time of rapid change is that we have to learn quickly in order to adapt successfully.

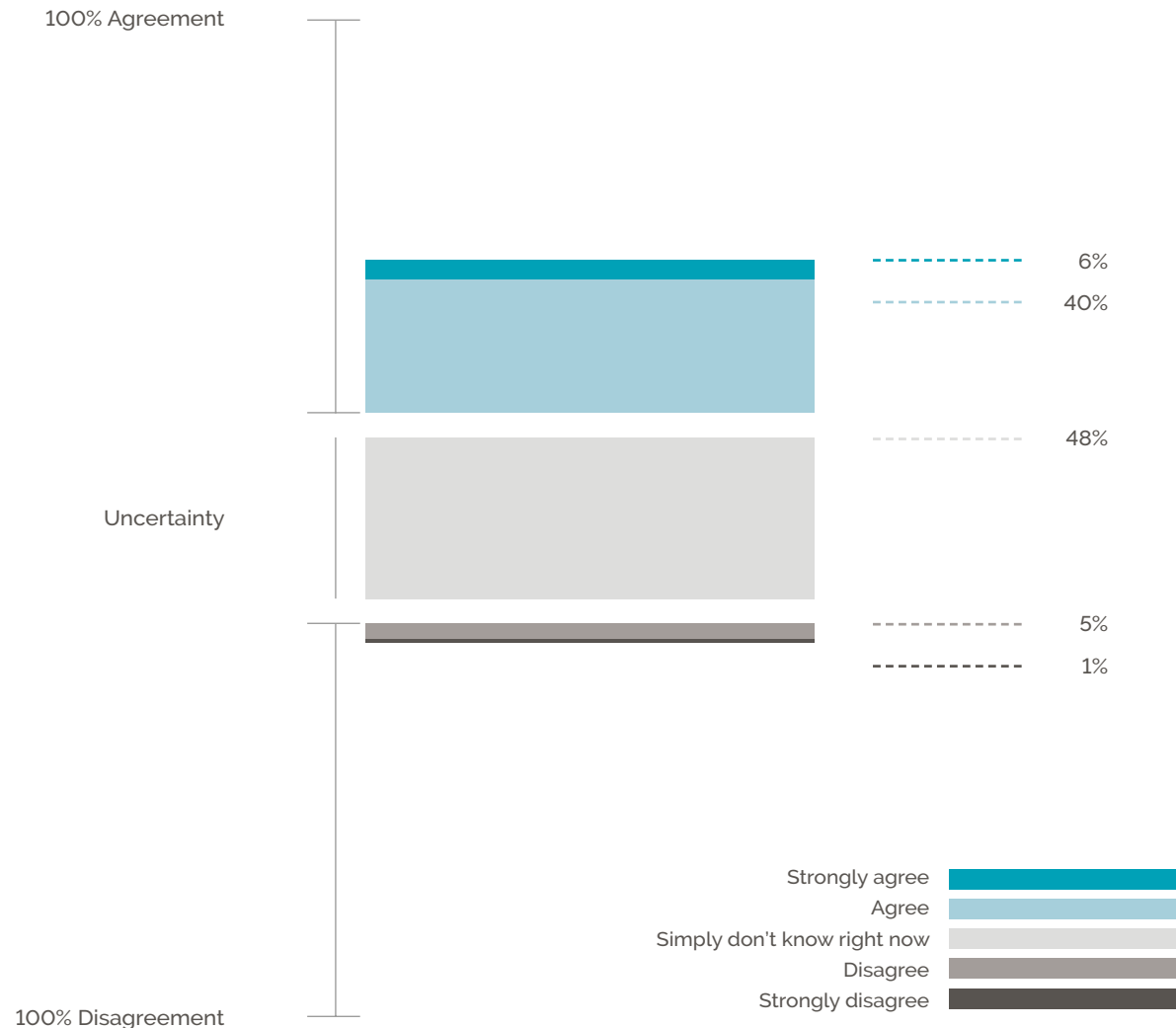
Real or deep learning, the kind that forces significant rethinks, challenges assumptions, opens up new horizons and more, isn't easy and often isn't welcomed. But this kind of learning is at the heart of transformation and is one of the positive features of any kind of crisis as there is simply no choice but to learn fast. Some respondents are accelerating transformational plans that were already programmed. Others are learning about the capabilities of their organisational systems and people as a result of seeing them tested through adversity. For 63%, the changes imposed on their organisations by Covid-19 point to wider and deeper changes they now understand they will need to make. 23% of respondents, however, do not feel that they will need to make significant changes ahead, with 14% simply not knowing whether they will need to change or not. These results might turn on an understanding of the scale of changes implied by "significant" but also might reflect the fact that 23% of responding leaders feel that they already have the resilience they need.

46% of respondents feel certain that they know where their organisation will be commercially ahead but 48% say that they simply don't know right now.

This is the question that has generated the most divergence of opinion in our survey. It clearly reflects the degree of uncertainty at the time of writing.

However, 46% of respondents expressing confidence in their commercial future is again a positive indication of the effectiveness of a response to the crisis and to the quality of the leadership that is making it happen. But leading in the face of uncertainty is not easy, especially if that uncertainty is protracted and complex. In a sense, 48% not knowing is positive. It reflects a leadership position that is open-minded, not wanting or needing certainty right now, and accepting where we are, whilst remaining open to possibility and to learning as things become clearer, and being prepared to act quickly at the right moment.

Participants were asked to rate the following statement:
I am certain that I know where my organisation will be commercially after the Covid 19 crisis

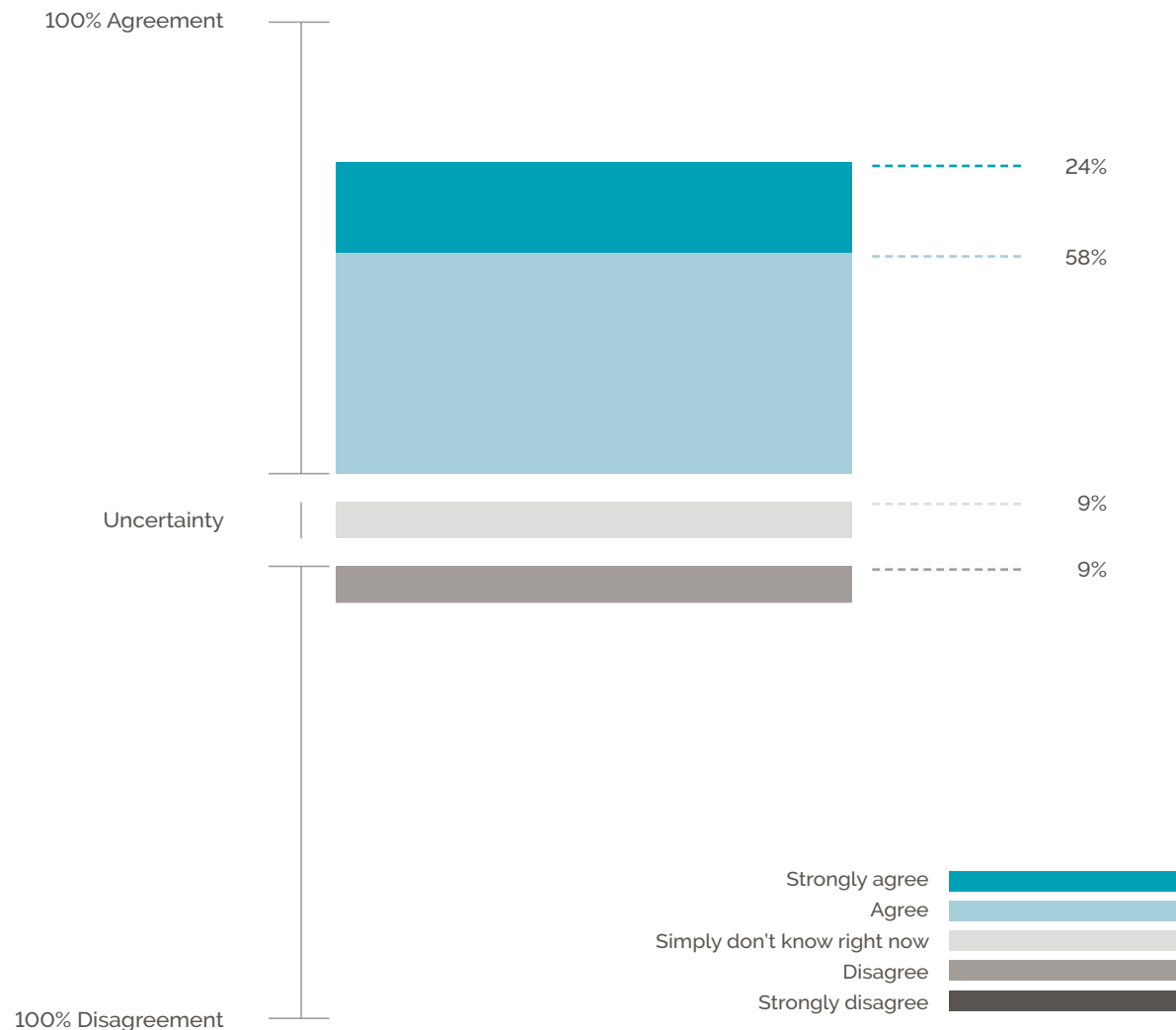




What are the priorities ahead?

We wanted to gather perspectives on the broad investment decisions that need to be made ahead in relation to organisational change, innovation and people development.

Participants were asked to rate the following statement:
We will need to invest more in
changing or transforming our
organisation over the next 12 months



82% agreed or strongly agreed that they will need to invest more in changing or transforming their organisation ahead.

Companies already spend money on changing and adapting their businesses to reflect shifts in the marketplace or opportunities. Here it is clear that leaders feel that they need to invest more in transformational change in response to the Covid-19 crisis.

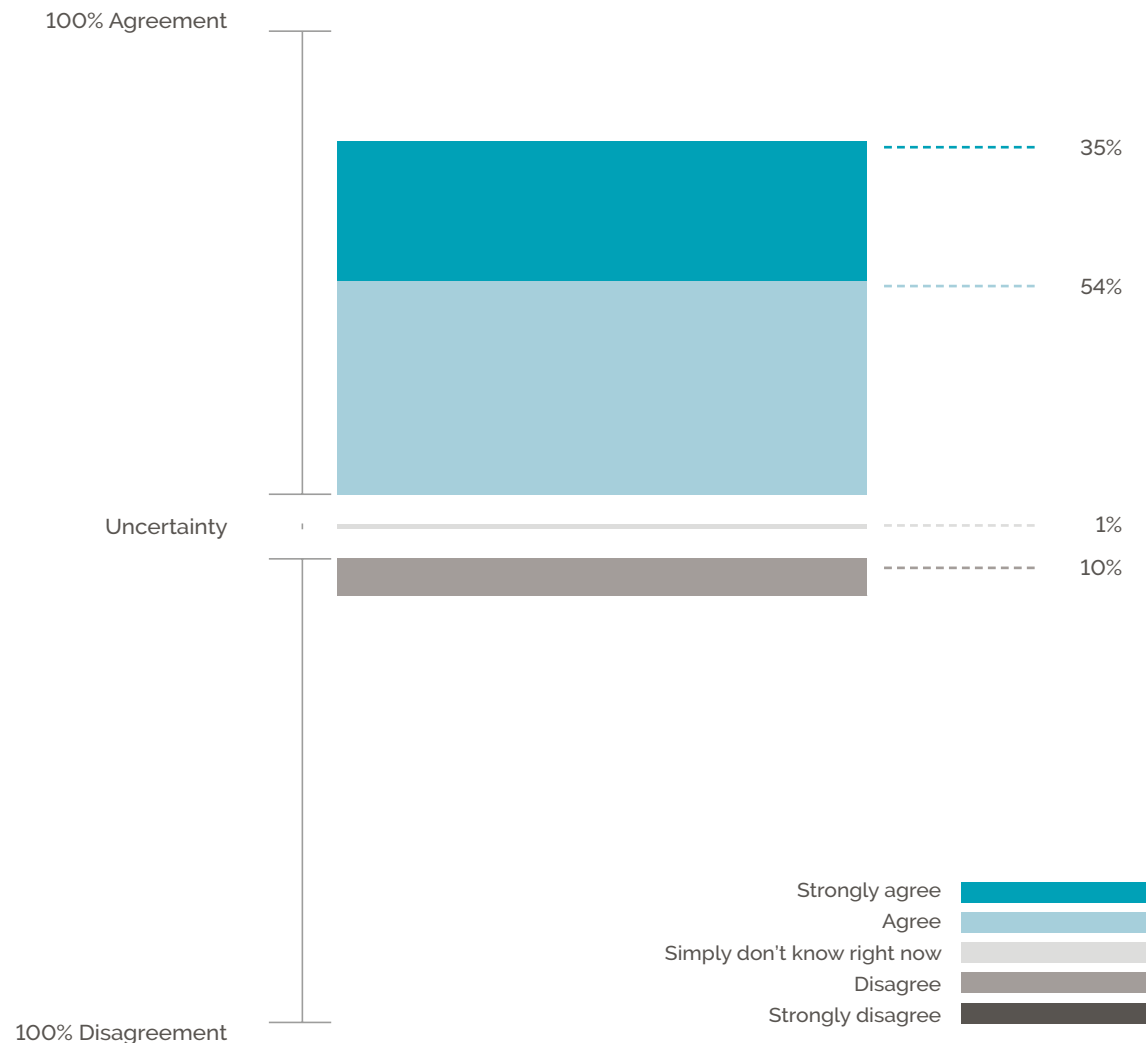
This isn't surprising and correlates with other data from our research. The issue will be whether such investment will be successful in delivering the changes that are necessary. Historically all organisations have struggled to lead intentional change in their organisations with research demonstrating how difficult it is to deliver the promised benefits of change programmes. Leaders will need to process the lessons of recent months to influence and inform thinking on how to lead organisational change more urgently and more successfully than ever before.

89% of respondents agree or strongly agree that they will need to invest more in innovation.

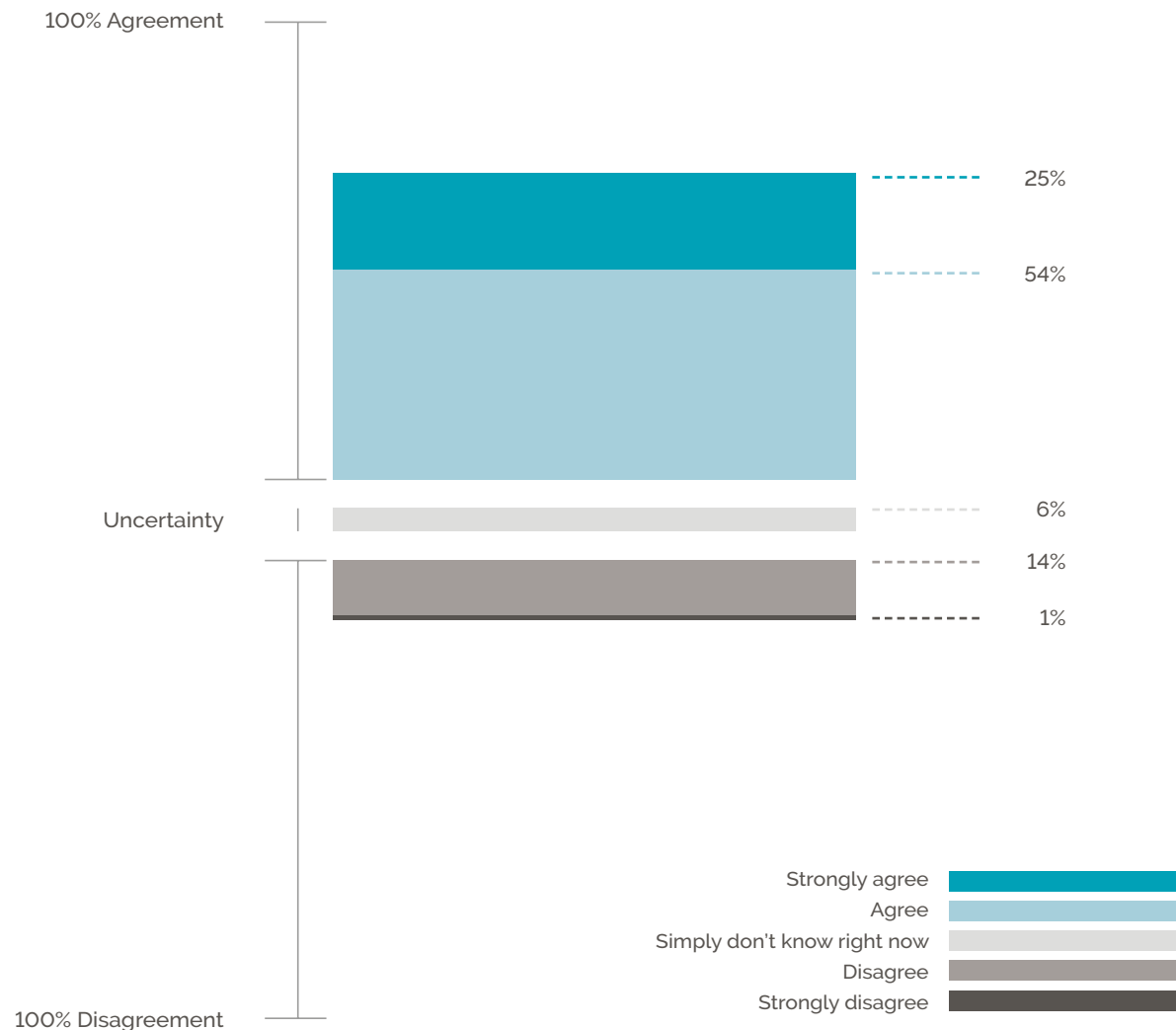
As companies adapt to shifting market conditions there is clearly a premium on the ability to bring new products or services to their current customers/clients or to entirely new customers/clients. There is also a need not just to innovate around what is done, but also how things are done.

Internal process innovation should be part of any learning organisation's approach to understanding how to be more efficient and more effective (using technology, cutting bureaucracy, customer journey approaches etc.). But innovation isn't easy and the more radical and transformative the necessary innovation, the more difficult it becomes. Senior decision makers need to be clear about how innovation works in their organisations and learn from previous success (or failure). In a sense we are all called upon now to be more innovative about the process of innovation itself.

Participants were asked to rate the following statement:
We will need to invest more in innovation, creating new products/services and new ways of doing things over the next 12 months




Participants were asked to rate the following statement:
We will need to invest more in culture change, behaviour change and skills development over the next 12 months



79% agreed or strongly agreed that they will need to invest more in people-related change, in culture, in skills and in behaviours.

The Covid-19 crisis has thrown a spotlight onto the ability of organisations to pull together to respond, and in doing so has highlighted the strengths and weaknesses of organisational cultures and whether they are fit for purpose in adapting to the future. Shifting cultures implies shifting behaviours, people doing things differently or doing different things.

All respondents have accepted that more remote working, more hybrid teams (some centrally-based, some remote) will become the norm. This implies greater use of digital technologies to facilitate and support connection and collaboration and improved skills in using that technology to manage work and performance. The shift towards a more dispersed workforce will also provoke new thinking and new practice on how to lead and manage in this new context.



How is the way we are leading
organisations changing?

How is the way we are leading organisations changing?

The overwhelming message from leaders across all companies and geographies is that they are now **leading internal communications** in ways that they have never done before. The crisis has placed a premium on the ability of leaders to design and execute on effective communications. *More communications, more communications and even more communications.*

This is driven by the need to connect remote workers together. It is also a reflection of the levels of uncertainty created by the crisis and the need to shorten planning cycles and solve problems daily.

The annual planning period has gone from annually/quarterly to weekly.

Many report that the increased frequency and depth of internal communication has unearthed a paradox which is that many leaders feel closer to their colleagues than ever before – the crisis has forced an important shift in the need for connection. This in turn has helped leaders to understand colleagues more and has improved the ability to work together and respond to the crisis together. In other words, it has **enhanced the sense of community**.

An important element of the communications challenge for many of our respondents is a renewed focus on the need for effective **one-to-ones** throughout the line. This is partly about managing the paradox of teams needing to be closer at a time when they are further away. It is also partly about identifying, confirming and valuing the expertise of individuals. Having effective one-to-ones with direct reports is seen as a crucial skill in managing in the face of uncertainty.

We have moved to more engaging conversations with team members one-to-one.

Technology has played an important part in framing how communication works with many leaders now relying on MS Teams, Zoom etc. to be able to connect to colleagues and customers.

Many leaders have had to transform their skills in using the technology to manage work and people remotely as whole organisations have had to adopt a new **digital mindset**. For some this has been a challenge for others they have adapted quickly to the new requirements in **how to lead remote teams**.

Leaders have also had to step up in **being visible, providing clarity, vision and projecting confidence and reassurance** to their teams and wider organisations.

I have increased my focus on communications across the team providing vital clarity, vision and direction.

In times of uncertainty people look to leaders to provide leadership. For some this has meant a much more **hands-on** approach to leading, taking a more **command and control** style. For others it is about **engagement and dialogue**, leaning into uncertainty together, showing empathy, providing support and a focus on **wellbeing**. As always, leaders have to make important choices between being **tight and loose** in their leadership and management style depending on the context and balancing the paradox of control vs delegation.

We are addressing uncertainty every day.

One of the particular challenges facing our respondents is the issue of **transparency**. The benefits of transparency in organisations are well documented but not all leaders find it easy to create the conditions to be open and honest.

But the crisis has created deep uncertainties and part of the huge uptick in the need for communications is for leaders to explain what they are doing and why, and to help remote teams understand the context for the decisions and actions. Transparency is also important to leaders to get the best out of colleagues, to help everyone to step up and to address problems and find solutions.

Over-communication and transparency, wherever possible, has also played an important role in helping people stay positive and minimize stress.

Finally, our respondents are focused on **leading innovation** both in product/service offerings and on transforming the effectiveness of internal processes and they are doing this at speed and at scale.

I have had to completely reorganise our offer. I have set up 3 new services in 5 weeks.

Leading in the face of huge uncertainty places a premium on the ability of leaders to actively lead, to take action and to get results through others. For many leaders the crisis has forced them into rethinking their role, as leaders of communication, and as leaders of learning as leaders of innovation. The skills of leading and leadership have never been more important in securing the long-term health and success of our organisations.

As a leader I have had to help (employees) see the path forward through their fear and uncertainty.

How has Covid-19 influenced the way you lead your organisation?



What will change over the
next 12 months?

What three changes do you expect to see in your organisation over the next 12 months?

What will change over the next 12 months?

The research explored a huge range of opinion and perspective on what leaders expect to happen over the coming 12 months. However respondents kept coming back to four key points.

Working from home will become the norm

Working remotely with large numbers of staff working at home is here to stay, there are benefits and some costs, but we have already shown we can cope well.

Most respondents expect that **working from home** (WFH) or **working remotely** will become much more accepted and normal.

This has some significant implications for office buildings, for the nature and character of headquarter operations, for digital infrastructure and skills, for more virtual selling and more virtual everything, and for staff travelling much less.

Broad and deep digital skills are the enablers of efficiency and effectiveness

Alongside more remote working most respondents expect that **digital tools** will become more important as part of the infrastructure that keeps the business working with potential benefits in improving efficiency and effectiveness. This has implications for **skills levels** in using technology effectively and requires leaders and managers to adapt to using technology more to help colleagues and teams perform. Several respondents feel that more flexible working will also become more common over the coming 12 months.

We need to accelerate what we are doing with technology, getting smarter at using it effectively to manage and lead our business, improve productivity and reduce costs.

Agility will become a critical organisational competency

The post Covid-19 economy will require companies to be more **agile** and to be **faster** in all senses (faster to innovate, faster to make decisions, faster to execute).

We have had to learn to be more agile through this crisis, to work at pace and to reduce the time between decision and execution. We will need all of these capabilities ahead.

Several feel that the competitive landscape ahead will mean that they will need to **focus** their offers much more. All respondents want to build more **resilient** companies, learning lessons from this crisis that they can take forward.

Uncertainty is here to stay

All respondents talk about the need to **adapt to uncertainty**. Some leaders are accelerating changes that were already programmed. For others the most important task is to apply all the things they have learned about their organisations, their culture, their colleagues, the capacity to innovate and problem solve at speed, the role of technology in collaboration and connection, and to be entrepreneurial, in understanding and meeting needs of their customers/clients ahead.

Connecting the process of change with the process of learning

The current crisis can either be seen as a unique event that will just be another blip on an otherwise well-understood path ahead for our companies. Or it could, as many of our respondents suggest, usher in a new normal of remote and home working, dispersed and hybrid workforces and the need to establish a new digitally enabled leadership practice with an emphasis on developing agility and innovation.

In some ways, Impact see the crisis as a global [experiential learning](#) event that has pushed us all into an uncomfortable but important and possibly profound process of having to learn and adapt. Impact have a 40-year commitment to using experiential learning in our [leadership development](#) work and we have long understood the power of experience to shape our understanding and provide a vehicle through which leaders can apply what they know and learn more.

These last few months have made me feel exactly as I felt on the Impact programme last year; this is what their experiential learning approach feels like, it isn't comfortable, but wow do you find yourself learning important stuff fast.

It seems clear from our research that businesses will be reshaped as a result of this period in our history. And it is leaders who are shouldering the responsibility to both respond and be proactive in creating the conditions through which their organisations can survive and thrive ahead. In these remarkable times, leaders and leadership have never been more necessary or important. We see, for example, that leaders now have to lead communications in a completely different way and transform the methods through which colleagues can connect and collaborate with each other requiring [leaders to coach](#) as well as lead.

But at the heart of the work of the current global business leadership is to successfully lead a [process of change](#). This is not easy. Changing organisations at the best of times can be frustratingly difficult to do. But leading change when the future is so uncertain can feel impossible.

The only way to successfully lead change in this environment is to **connect the process of change with the process of learning**. It is the need to learn that is driving so much of the focus on internal communications, on dialogue, on listening, coaching and managing. We are trying to learn what works, learn how to build agility, learn how to lead remotely and, crucially, to learn how to learn at the pace the current crisis demands.

We are not talking about classroom learning; we don't mean just amassing new knowledge from yet another expert. We mean **deliberately designed learning that connects experience with action and reflection**.

Experience on its own isn't necessarily a good teacher. We can learn to do the wrongs things and we can keep on doing them as our assumptions become frozen into a truth. But expert experiential learning designers can create learning experiences that connect work and learning together to accelerate the application of experience to today's problems.

This is what Impact does. We help companies design learning experiences that help you take informed action on your tough questions quickly. How do we lead in uncertainty? How do we create an innovation culture? How do we restructure our business? How do we transform the capability of our leaders? How do we create an agile organisation?

As we have seen, the quality and effectiveness of leadership and management in organisations has never been more important. The speed and scale of change has never been more acute and the need for human connection is something that we have rediscovered to be at the heart of what all our organisations are trying to do.

We hope you have found this report valuable and useful and that Impact could help you ahead.

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to see how to contact us in your location





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