

One of the hallmarks of any corporate crisis situation is the need to communicate rapidly in a coordinated manner across multiple corporate stakeholders and to make decisions judiciously at a time when critical information is not fully available and unpredictable, says **Aparna Sharma**. Ms. Sharma, a doctorate from California Public University, USA and an alumnus of Tata Institute of Social Sciences, has been an Independent Director on the Boards of several listed companies and a Human Resources expert for more than two decades, having worked with companies such as Monsanto, Novartis, Deutsche Bank and Lafarge.



In her diverse roles, she has been a Mentor and Coach to Leaders and Leadership teams to build competencies for achieving purposeful performance. Excerpts from her interview:

Q 1: It's tough being a board member in these times. How have been the last few weeks for the Boards in the backdrop of lockdown due to pandemic?

The first thing that has taken everybody by surprise is the magnitude of the pandemic. Nobody could have predicted the veracity with which it has struck. The situation grew from bad to worse in a matter of days, forcing the government to immediately issue instructions for lockdown. Most of the companies were totally unprepared to deal with this situation, be it from the point of view of business sustainability but also from short term operational aspects.

The immediate concern for the Boards was to ascertain Business Continuity and draw up plans for proper implementation as many companies did not have it at all or it was not appropriate. Boards were quick to process these with the managements. It was tough for companies that provide essential services. For instance, a pharma company cannot stop supply of medicines. It had to operate with the prevailing challenges including operating with minimal employees and only on inventories with no fresh raw material forthcoming.

The situation will vary significantly by industry and company due to the nature of their operations. But since COVID-19 is causing massive challenges to the safety and well-being of almost everyone — employees, family, friends, colleagues, and community members, the issue of human centricity is the most important aspect. As a matter of priority, most of the Boards wanted to ensure that the employees continue to remain productive without affecting their health and safety. Before the lockdown, many companies did not even have a proper Work from Home (WFH) policy but most of the Boards promptly enabled its formulation/review & implementation as the case may be and adequately equip the employees so that employees can contribute and businesses can continue.

Q 2: How do you think companies can effectively communicate with their stakeholders including employees in the virtually connected world?

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It is important for Boards to communicate with all the stakeholders from time to time in order to keep them engaged and share thoughts, actions and concerns. Stakeholders are drawing strength from the fact that Boards are fully abreast with the latest and are standing by them in these difficult times. This is helping the senior leadership with the much needed psychological support. Boards are also encouraging management to stay in constant touch with employees, allay their fears & keep them focused on their goals.

Q 3: How are directors dealing with these challenges and what is keeping them motivated?

Under these circumstances, Directors are exercising their core oversight and risk management responsibility to ensure that management is taking appropriate action to maintain Business Continuity. A well-functioning Board guides the company in making thoughtful, fact-based decisions in responding to the crisis.

Even though Directors have to cope with the ongoing stress and highly volatile situation, they have to stick to the basics: Being Informed; Being Alert; Being Engaged; Being Calm; Being Thoughtful; and most importantly Being Decisive.

Q 4: What are the major challenges and top priorities for the Boards in these times? What is the strategy they should follow to motivate employees?

Currently, major challenges are Business Continuity and ensuring that employees are engaged and motivated to continue to contribute to the organization. Also, there are various other aspects of creating & implementing crisis plans. Effective and timely communication is the most critical anchor with and for all stakeholders at all times & much more so in these challenging times.

To me, what is of utmost priority is that there is regular two-way communication (open and honest dialogue) to ensure that employees remain motivated. Managers/Leaders need to have regular calls with their teams/ employees. Video calls through Zoom or Microsoft Team meetings, ensures that you can visually see the body language & gauge morale of team members. Companies can proactively create a “Contingency Fund” to take care of any emergency financial needs of employees, also work with Health Insurance companies to include COVID-19 testing & treatment in the medical insurance scheme package for employees. This lockdown time can be productively utilized to provide Online Learning Courses for employees to work on their Individual Development Plan (IDP) as part of the organization’s Performance Management System.

Management must keep an eye on proactively addressing POSH related issues and ensure that fellow colleagues do not intrude into each other's privacy since most employees are working from home. Companies also need to constantly remind employees about the Dos and Don'ts of electronic and all other means of communication. Global Research data shows that during times of uncertainty such as current situation, employee misconduct increases by as much as 33%.

Another challenge would be continuous and fair assessment of the performance of employees. One needs to be very agile and develop objective mechanisms to evaluate performance as every organization is trying to manage the environment differently.

The most interesting fact appears that no one in the current generation has any experience of dealing with a situation of this magnitude. It is a Litmus test for Boards who need to think & plan ahead based on their collective wisdom.

Q 5: What do you think would be the immediate positive outcome of this crisis between the board and the management?

On the positive side, the crisis has resulted in a very healthy and mature dialogue that has been initiated between the Boards and management. While it's too early in the process, Boards are also asking managements to specifically tailor recognition process for those who are making outstanding contribution to the organization in these times.

Boards are encouraging management and leadership to be innovative and creative to manage the current situation given the constraints that are there besides guiding them to do things differently.

Q 6: Do you think most of the companies are prepared to deal with the lock-down if it persists for long?

The crisis of this nature & magnitude is unprecedented. As of now, there is no clarity about what is going to happen in future. The best strategy would be to attempt to draw up weekly/fortnightly contingency plans – but review them each day & execute one day at a time. Being cost conscious

especially during such times stands in good stead for any organization. How long this will persist and what is going to happen is anybody's guess. However, one would have learnt a lot of lessons along the way and it would be a good starting point for Boards to deliberate with managements once we tide over the crisis successfully with little or no significant damage. As of now, there are more questions than answers.

Q 7: Do you think this crisis will provide an opportunity to many companies to reinvent their long term business strategy?

Situation is too fluid to take any long term strategic decision/s. Boards are more looking at the next two quarters at the most & asking senior leadership to project for the new financial year with all possible variables. It is difficult to have any long term plans drawn up as of now. It is going to take a while to assess the economic impact of the pandemic globally & in India. Whatever business strategy was made in the past, will have to be realistically reviewed first. Once the dust settles, only then the new strategy needs to be prepared and finalized.

At this point of time, we are still at the threshold of the crisis. So, the current focus is very clearly limited to the immediate term. Since this is close of the financial year for most of the companies, efforts are on to complete all processes to close the books of accounts as a first priority. Financials are being finalized, compliances are being recorded/updated and budgets are being frozen for smoothly kicking in the new Financial Year.