

**CRITICAL COMPETENCIES OF LEADERS TO MANAGE
PEOPLE DURING THE COVID 19 PANDEMIC**



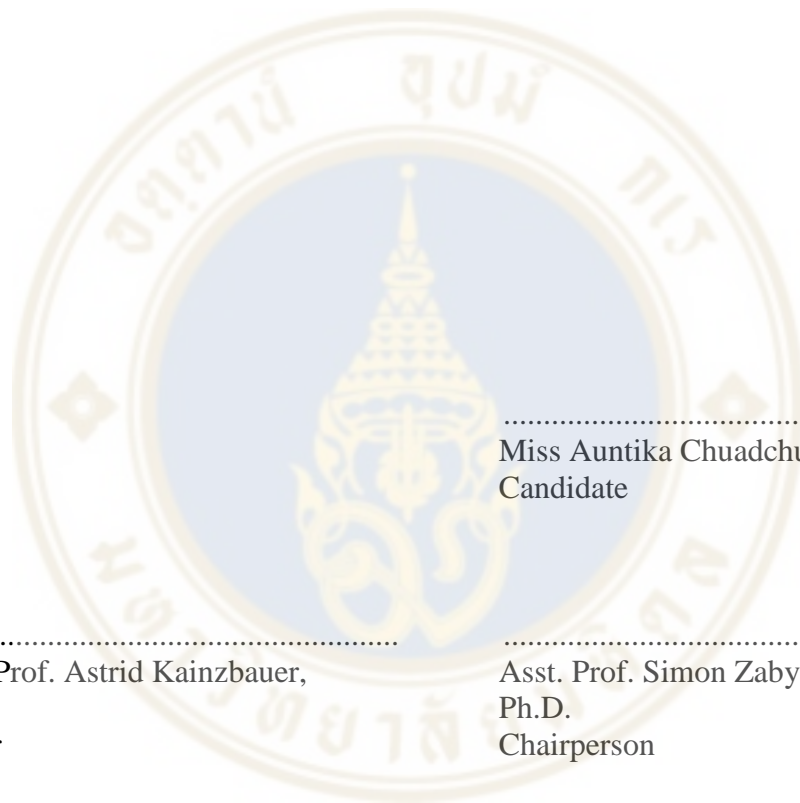
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entitled
**CRITICAL COMPETENCIES OF LEADERS TO MANAGE
PEOPLE DURING THE COVID 19 PANDEMIC**

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ABSTRACT

The objective of this paper is to understand the competencies needed for leadership in people management aspects during a Covid crisis. Also, the study will discover what are the challenges for leaders during covid crisis and how leaders interact and approach the people in order to overcome the covid situation.

This study used an in-depth interview with 10 leaders who have experienced in leadership roles more than 4 years. The interview had been done by asking the open-ended questions and using the probing technique in order to gather and analyze the real-life experiences from interviewees.

The results from this paper can be used as a guideline for leaders in dealing with the crisis and managing people effectively to mitigate the turnover and increasing work effectiveness in the workplace.

KEY WORDS: Leadership Competency / People Management / Crisis

34 pages

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CHAPTER I

INTRODUCTION

Coronavirus creates negative effects in many aspects of our life. We admit that this pandemic is the greatest global crisis since it was found in 2019 and it generates challenges all over the world in every part, especially economics and people's health and wellbeing. The word of New Normal has emerged representing our adjustment to the crisis, for example, keeping distancing, wearing a face mask, virtual learning, and working from home.

On the economics side, the pandemic caused the lay-off and closure of business in various industries such as the traveling industry because people are not allowed to travel both domestic and international. So some companies cannot hold the cost of operation and decide to go out of business. Although some companies are closed due to the crisis, some companies still survive but an adjustment and high flexibility are needed in order to operate the business during tough times. We can summarize that businesses are being disrupted, new business has emerged, old business has died, technology is growing exponentially and still continues in the 21st century. These are the factors that forces us to change, Coronavirus has only expedited this business transformation.

Regarding transformation needed, many organizations revamp the way of work to fit into the new normal trend in order to reduce the negative impact from this crisis. Most important part to help the company pass the situation and be able to operate the company is the leader. They not only review the operation process, but also drive the team to align with company strategies and achieve company's goals. Leadership becomes more difficult and complex during crisis time. Thus, leadership has been a critical success factor for companies to deal with covid situations.

After we have faced the challenge from the Coronavirus, it becomes the ultimate test about leadership for leaders across the world. Leaders respond to the crisis by relying on only their instinct and some insight provided by the human resources team

or knowledge from publicity but there is a limit due to this pandemic is a novel situation. Some leaders in some organizations have overcome this crisis because they have soft skills and were able to manage crises before, but others are still struggling to manage this unpredictable situation. Hence, leaders take their full endeavors to save their organization and their people.

There are many leadership models and leadership competencies needed in crisis situations in many aspects. People management part is one of the challenging parts for leaders in order to manage their subordinates and drive them to achieve the goal. In this circumstance, we cannot deny that the pandemic has affected people's energy negatively and might affect people's performance as well. This can explain the point why the people management part of leadership is important especially in difficult situations.

Generally, businesses know and are aware that people are the most important asset in the company and people are the key in organization transformation, so they attempt to keep a low turnover rate, increase the level of employees' engagement, and maintain a high employees' happiness. Leader is still identified to be the most critical role to keep on the initiatives because the leader is close with employees representing the company. As a result of that, high leadership competency in the people management aspect helps to achieve transformation success in the covid situation. Different levels of leadership competencies of the leader have referred to a different level of transformation success during a crisis.

This study aims to identify the leadership competency needed in the people management aspect.

- 1) What are the challenges for leaders during covid crisis?
- 2) What are the leadership competencies required for a leader during covid crisis? And how are leadership competencies utilized effectively by leaders?
- 3) How do leaders interact with and approach subordinates in order to overcome the covid situation?

Firstly, this paper will gather the information about the people management aspects of leadership during the organization crisis from the literature by focusing on the different aspects related to the research questions. Secondly, we will have in-depth interviews with leaders in different organizations to identify the key competencies that

each of interviewees use in handling people during Covid situation. The interview results will be analyzed to study key findings and create recommendations for leaders in crisis situations, which will be the last chapter of this paper.



CHAPTER II

LITERATURE REVIEW

2.1. Leadership Approaches Suitable for Crisis Situations

“A crisis is a turning point for better or worse.” (Alexander & Maehlum, 2008, p. 7).

Crises are related to the high risk, immediate loss and the potential for a continuation of those losses. Organization Crisis is more complicated due to an unclear root cause or factor, some need a decisive decision and immediate adjustment in order to compete with the change (Seeger et al, 2003).

Moerschell, (2021) said that crises were separated into 3 phases; pre-crisis phase, during crisis phase, and post-crisis (immediate after crisis ends). The organizations who are well prepared in transforming work tasks from the first phase to the next phase, are able to keep on working and stay in the crisis phase. In summary, managing well in organizations' pre-crisis determines your ability during a crisis phase and post-crisis phase.

The severity of crisis can be assessed from 3 different characters which are the importance of issue (how it impacts the organization and people and what is the possible loss if no action is taken), immediacy (if we delay the action, what are the consequences), uncertainty (How quick is the changing of situation). Hence, leaders and organizations must proactively generate a plan which causes high challenges (Fleming and Zhu, 2017). Cook and Holt, (2015) also agree that the crisis in organization can be assessed from the uncertainty and pressure in decision-making.

Boin, (2005) showed that a crisis causes instability for the organization and employees. In the organization crisis, everyone was put to a high-pressure working condition. The common challenges that the organization should focus on are the unreliable information, unfamiliar situation, unclear and swiftly changing direction, and unstructured problem. To respond to those instabilities, people in organizations react differently which could be differentiated into 3 groups; stay active and fight for a new

problem coming in, accept a situation that is happening and compromise, be active and rely on unpredictable situations with considering yourself capability as a zero (Wang, Anne, and McLean, 2016).

One of the leadership approaches that is considered suitable for crisis situations is Situational Leadership. It has been generally applied in organizations and leaders select situational leadership theory in managing crisis (Prabhakar and Yaseen, 2016). According to Voon, M. L.Nguil K.S. Ayob N.B., (2011) the situational leadership is about understanding employees' preference and making an adjustment in management style to suit best with organization situations and increasing the trust among employees. This concept of situational leadership model enables subordinates' courage to reach out to leaders during difficult and risk situations which lead to reduced risk and its impact in organization. It can be concluded that by adopting situational leadership attitudes, the difficult situations are managed within the organization.

Situational Leadership requires the leaders to be flexible and adjust their leader behavior acting to subordinates to suit individuality rather than using only one leadership approach in managing (Prabhakar and Yaseen, 2016). Walls, (2019) elaborates that adopting a mixture of leadership style as per employees and situation demand in a difficult situation like risk creates a constructive output in a positive way. For example, a situational leadership approach embraces a flexible attitude towards the change and collaborates employees in finding solutions in order to make the best decision during a tough time. As a result, it creates a constructive teamwork environment, increasing team collaboration, and finally being able to identify the way to reduce the negative impact from risk situations. In contrast, the authoritarian leader who does not implement situational leadership and excludes employees in a brainstorming process, when the authoritarian leader faces risk or crisis situation, huge pressure will belong to him/her which create unconstructive output such as low team work environment, generate a team conflicts, and no effective solution to decrease those risks.

Situational leadership in crisis requires high awareness; a leader is aware of his own personal leadership skill while being aware of the context of the situation. Aligning about the leadership style and the demand of context allows leader response correctly especially in crisis. For example, leaders may select to implement a high

directional style during a rapidly changing situation where they expect a positive outcome or a mitigated loss. Then, the leader can recede a high directional style after achieving the outcome if this approach does not suit the current situation anymore (James and Bennett, 2020).

Another leadership approach that is adopted in crisis situations is Transformational Leadership. This is the new modern approach describing that leaders inspire followers to give extra effort to achieve the company's outcome. A transformational leader adopts the right approach which allows individuals to manage difficult situations like risk effectively with a positive attitude (Marting, 2015). To execute and direct a team to success during a crisis, transformative leaders use communicative, visionary and team-first attitude. However, having an unclear goal and expectation of a transformative leader will create an uncertain situation in the workplace which affects the decrease of team's motivation and lack of striving to move forward the unsecure situation (Cote, 2017).

When an organization faces uncertainty and problems, leaders tend to adopt a transformative leadership model which is more effective than approaching transactional leadership (Bass, 1998). There are 4 dimensions of the transformational leadership model, it emphasizes that building trust is a core component of this approach and it is the critical role of leaders to respond during crisis (Conger & Kanungo, 1987). Transformative leadership which is able to create a high trust among employees leads to an emerging of 3 key positive behaviors to help organizations overcome the crisis which are collaboration, decentralized decision making, and correct communication (Kramer, Roderick, & Thomas, 1996).

Inspirational Motivation (IM) is one of the dimensions of transformational leadership. It is mainly about setting a clear common direction or vision and thinking positively which were considered as a key point of crisis management (Ethel Brundin, 2009). The second dimension of transformational leadership is Idealized Influence (II). Idealized influence is that the leader acts as a role model motivating employees' trust and enthusiasm which affect the belief of employees in the leader's vision and transform to a success (Sarros & Santora, 2001). Third dimension is Intellectual stimulation (IS). This aspect of leaders is mainly about challenging the status quo and encouraging followers to be creative to solve an unexpected situation (Bass, 1998). The

last dimension is Individualized Consideration (IC), where leaders pay attention to the differences between each person and fulfill individual needs. As a result, this can increase the personal relation between leaders and employees and generate trust among those (John, 2002).

Transactional Leadership is not flexible enough to pass through crises as leaders could not get support information from their employees and team. Transactional leaders normally approach employees by controlling and directing which leads to an uncomfortable team environment and reduces their motivation level towards jobs. As a results of this, employees will have a limitation in term of year performance and risk mitigation abilities during crisis (Thompson & Glaso, 2018)

Dubrin, (2004) stated that the transformative leader is responsible for organization performance more strongly than transactional leaders when the environment is unstable. Transactional is about the exchanging of things between the leaders, viewing leadership as a set of exchange or transaction between people while transformational is about providing the motivation and inspiration. Thus, a transformational approach is more appropriate in crisis situations as in this circumstance we want leaders to scan for the innovation alternatives and solutions which suit the style of transformational approach (Judge & Bono, 2000).

Moreover, in adopting a leadership model during a crisis, leaders should integrate both task and people-oriented approaches, so a leader who adopts a transformative leadership approach will be more effective. Nevertheless, using only one approach may not be most effective compared to a combining transformational leadership and transactional leadership which is more useful (Bass, 1998). *“Transformational leadership styles build on the transactional based in contributing to the extra effort and performance of followers” (Bass, 1998, p.60)*

2.2. Leadership Competencies for People Management in Times of Crisis

Leadership competencies are defined as an individual's abilities, knowledge, and capacities that facilitate leaders to perform leaders' roles in managing businesses and people (Fernandez, 2010). Trivellas and Reklitis, (2014) also indicated

that during crises, the higher level of leadership competencies influence and enhance the higher level of individual interaction with employees.

Leadership competencies can be categorized to 3 components which are

- 1) Self-management competencies
- 2) People management competencies
- 3) Business management competencies

All these 3 components enable leaders to perform according to business direction while situations are unstable due to the crisis. By utilizing all 3 components of leadership competencies, leaders can lead the team and organization effectively (Trivellas and Reklitis, 2014). People management competencies critical in a crisis time: communication, creating and sustaining organizational culture, developing people and stakeholder management are the key challenges on leadership competencies in people aspects. Thus, we can identify that leaders should have those people management competencies in beating risky situations. (Wooten and James (2008).

The research of Betancourt and Tubin, (2017) stated that there are 4 important leadership competencies that are critical to crisis management;

- 1) Sense of urgency
- 2) Emotional intelligence
- 3) Problem-solving
- 4) Sensitive communication

In the business management part, leaders should bring a high level of sense of urgency and problem-solving skills but in terms of leading people in a crisis time, leadership should establish the competencies of high emotional intelligence and sensitive communication.

Emotional intelligence is a tool for motivating people to remain efficient at work while confronting many issues that come from crises. Strong emotional intelligence helps leaders understand each of the members better and be able to coordinate encounter parties in the right way especially in a dangerous situation. In addition, the high emotional intelligence leaders tend to be more flexible, adapt well to change, and change the team's atmosphere to positive emotion with response to a problem coming in positively (Madera and Smith, 2009; Yukl and Mahsud, 2010). Emotional Intelligence competencies play a virtual part in leadership crises and it

implies that expertise in emotional help leads to an empathy for yourself and the team member which affects high engagement among the team and also having this competency enables leaders to understand a perfect timing of emotional expression and influence the team to move in a desired direction (Holt and Wood, 2017).

Goleman, (2002) elaborate that there are 4 dimension for emotional intelligence, 2 out of 4 are related to intrapersonal and another 2 dimension are related to interpersonal

1) **Self Awareness:** Ability to recognize your own emotion at the moment

2) **Self Management:** Ability to manage your own emotions and reactions.

Leaders can direct his/her emotion towards the direction and goals

3) **Social Awareness:** Ability to empathy and understand others based on their view. Leaders should recognize followers' emotions.

4) **Social Skill:** Ability to build relationships and cooperate with others.

Leaders can manage the relationship constructively in order to gain a positive outcome.

The four dimensions of emotional intelligence influence the success of building relationships and controlling unexpected events

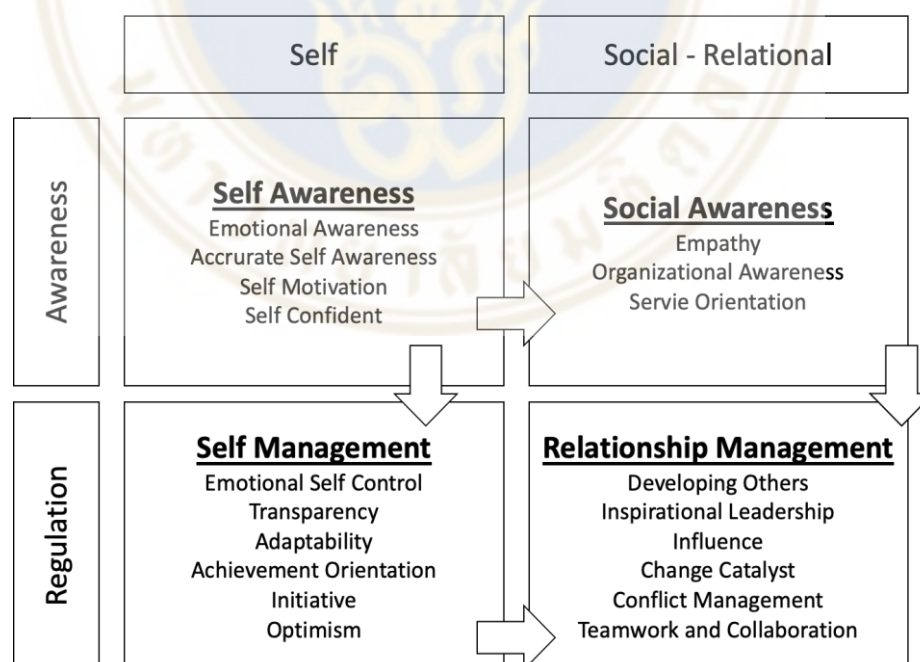


Figure 2.1 Daniel Goleman's Emotional Intelligence framework (Al-Atabi, 2016)

Another important competency of people management is communication in sensitivity matters, for example, communication about current situation impact to business and organization, impact assessments, recovery on business and people plans. In emergency time; prior, during and post crisis, remember that communication shapes people's attitude and gains people trust which is very critical in moving organizations further (Varcoe, 1998). Communication should be timely relevant due to the uncertainty, information and plans keep changing so people managers should have competencies about rapid communication. This helps leaders create people's trust and increase the people's commitment even in tough times (Fearn-Banks, 2016). Varcoe, (1998) also said that employees want transparent communication from their leaders, information about resources for handling stress and anxiety, and also a strong acknowledgement from leaders for the difficult situation that staff are facing.

Decisive adaptability or flexibility is another competency that leaders must develop during a crisis. This will set leaders apart from managing in the old way and be able to handle the unforeseen situation especially in a pandemic where everything was new for all. The flexibility and adaptability of leaders release anxiety for employees, hence process information swiftly, prioritize people and business needs, and finally be flexible by not impulsive response to the unsure situation. (McGuinness, 2020) Eisenberger et al, (2002) also support that during the pandemic, employees work in the new environments where leaders should be more flexible and help subordinates to adapt to novel situations.

In a crisis situation, effective decision-making plays vital roles and becomes a critical competency for leaders. We could not deny that leaders are required to make an unpopular decision and real-time decision especially more frequently during pandemic times; for example, a changing business direction decision, a reorganization structure decision, a changing working process decision. Those decision-makings impact employees directly which is considered as a sensitive decision. So, leaders' decisions must be weighted in both hard and soft parts and optimized in order to support employees' mental, employees' emotional, as well as employees' health. Also, decision direction should shape in a way of collaboration and teamwork instead of competition to maintain an engagement environment in organization. (Stefan Talu, 2020).

CHAPTER III

RESEARCH METHODOLOGY

3.1 Primary Data Collection Method

The literature review chapter reflects that leadership should have the competencies of emotional intelligence, sensitive communication, flexibility and decision making to overcome the crisis situation. The real-life experience from leaders during covid-situation can help us identify the answer to the research questions. So, the in-depth interview is adopted as a primary data collection approach to understand the leaders from their real experiences.

3.2 Interview Method

The main key findings for this research come from the in-depth interviews which will be conducted using open-ended questions. The method of the interview is as following;

3.2.1 Sample selection

For this research, the interviews will be conducted with 10 interviewees who are working in leadership roles and are dealing with managing people during covid crisis. The interviewees were selected based on their current leadership role and leadership responsibility of more than 5 persons in order to understand the complication of leadership in people management aspects and be able to share the practice of managing it. Among 10 interviewees, there are 4 of them working in the management position role who are required to make the decision of business unit direction and the rest 6 persons are working in the manager role which have responsibility for more than 5 persons.

Table 3.1 Interviewees List

Code	Position	Number of subordinates	Year of Service (as a leader)
A	Branch Manager	15	12
B	Team Leader	6	4
C	Team Leader	5	6
D	Project Manager	10	4
E	Sale Manager	12	10
F	Associated Director	25	4
G	Associated Director	5	7
H	Head of Department	7	5
I	Assistant Manager	5	6
J	Manager	7	4

3.2.2 Develop open-end question

In order to understand the real case experience about handling people during a crisis of interviewees, open-end questions are adopted to allow interviewees to have flexibility and feel free to share their answers according to the open-end questions. The question can be founded in the table below

Table 3.2 Open-end question list

Factors	Open-end Questions
Leadership Style	<ol style="list-style-type: none"> 1) How does the covid-situation affect your business operation? 2) How are you managing your team during covid-situation? 3) What is the style/approach of your people management? 4) How do you handle the change that impacts your management especially in the people aspect?
Leadership Competencies	<ol style="list-style-type: none"> 1) What are the most challenging things as a leader during covid situation? How do you deal with those challenges? 2) How can you overcome the team challenge while remote working? 3) How can you motivate your team when facing a crisis? 4) As a leader, what are the skills you think that are most important during covid? 5) What are the hardest things in managing a team/people in your view?

3.2.3 Probing technique

During the interview session, the probing technique will be used to gather more specific information from the interview. Probing technique is asking the follow up questions to interviewees when the earlier answer was not stated clearly or the interviewer doesn't fully understand the answers (Moreman, 2014)

3.2.4 Conducting the interview

For setting up the interview session, the most effective way is to interview face to face where we can have a natural interaction in person. Due to the limitation of covid situation that we still keep distancing from and the rise of technology helps us connect easily, thus the interview will be conducted virtually with the camera on. In addition, the appointment for the interview is after working hours so interviewees can have the freedom to share the story smoothly. Each of the interview sessions take around 20 - 30 minutes which includes the interview introduction, open-end questions, and probing questions according to the question list to explore the key factors.

3.2.5 Research framework

According to the data collection method, we gather the information from both literature review and the in depth interview from leaders. The research will discover the leadership competencies that influence the positive outcome of crisis performance as shown in the Figure 3.1

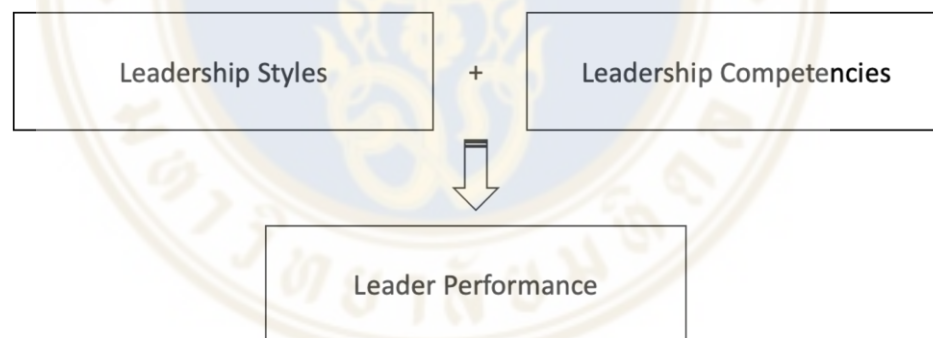


Figure 3.1 Research Framework

CHAPTER IV

DATA ANALYSIS

After conducting the qualitative research by in-depth interviews with leaders, the data were analyzed by grouping factors how the crisis affects leaders positively and negatively and also by analyzing the leadership styles and competencies used during those specific crises.

4.1 Challenges from Covid Crisis

The covid situation has become a crisis to many organizations but its impact differs depending on the industry of the business. This is the first question asked to interviewees to measure how the Covid crisis challenges their business and organization. Selected interviewees experienced different situations and used competencies as analyzed in the following part.

4.1.1 Negative challenges from Covid crisis

Firstly, most interviewees face the negative challenge from the Covid crisis that leaders respond proactively to help reduce the negative impact to business and people.

- **Immediately adjust the way of working**

Interviewees expressed the same way that Covid crisis created a big challenge to the way of working due to the rapid change that has been coming over and over. The leader D who is in retail business, during the interview session she stated that *“Plan is unplan. Covid makes us change the operation process every day, and if we do not adjust, we cannot meet the target for sure and impact the income for sales.”* For example, normally they sell the product in the department store, so after the covid has emerged, online shopping sales have increased dramatically, and the customer trend is still unpredictable. As a leader, they need to bring the team towards this big change and

adjust the way of working in order to help staff be able to achieve the target whether online or in store.

Another interviewee, leader E who is in the FMCG industry also said that *“A change is normal for us, but Covid is more than a normal change as there is a time concern. We need to rework, completing with the time and if you cannot change on time, the situation will change again. It is a loop that Covid created for our business.”* The change impacted this business significantly. As a leader of the sales team, they need to come up with a recovery plan when the government announces to stop operating sit in restaurants and trends’ prediction of restaurant operation is very difficult. This is why leader E has faced lots of rapid change during covid time.

Leader I also said about their situation that they encounter a lot of change. Leader I team is working in a support function in a logistic business, there are a lot of changes in sea freight routing so their team needs to responsible for informing clients of routing changes. Leader I said that *“As a counter service, clients call and ask everything especially when there is a change about our service, so my team needs to update the change from the sales team and practice to answer clients in new way”*

Leader A, a Branch Manager for workforce solution business also said that covid changed our way of work from face 2 face to virtual almost 100%. It impacts the company culture and managers need to prepare quickly to support staff to be able to work as usual. *“We have not worked remotely before, it’s hard for some staff to do it but we need to help them to work smoothly by preparing communication tool, revamp the work process’*

- **Working with limited resources**

First critical resource is people and the Covid19 situation impacts companies to have less manpower to work. Many employees are infected with covid at the same time so leaders need to revamp operation process frequency in order to run the business during crisis. This issue leads to many problems for example, workload, unstable working process, unclear working direction, repeated work.

Another critical resource is about the cost and budget. Regarding the covid situation, many companies decided to limit the spending by freezing manpower. That means leaders are not allowed to hire more people while working is increasing or leaders cannot find a replacement if their team resign. Leader G who has been facing this

problem for years said that *“Lacking manpower is a big issue, so we change work processes, and some members have more responsibility to cover business needs. So, It’s normal to feel exhausted and generate some turnover for the company.”*

The third is that companies have limited time. Time is sensitive and decisions in business work need to be fast in a crisis. It’s very challenging to balance the rapid change and people's motivation. Leaders mentioned that when business needs to be adjusted, some people fear and deny change so leaders should balance both the rapid change and people's mindset.

- **Remote working challenge**

All the leaders experience the remote working challenge which leads to low human touch and leads to low engagement. During this time, people need to work via company communication portal only, for example, Microsoft Teams, Line, or their own communication channel without seeing each other and lacking interaction so there is no bonding enough among those. Leader F, in the Telecommunication industry mentioned that *“My team focused on tasks, and said less aside from work and cannot chit chat during the work break like before the crisis. I can feel that their engagement towards the team and company was reduced and It showed in the engagement results which is not surprising”*

Another key challenge from remote working is low productivity. Productivity in work is a target for more than a half of interviewees they want to achieve. When working virtually, it requires more communication, taking more time to ensure that counterparty understands the message correctly due to you not seeing his/her body language. When leaders want to communicate important things If it's an online meeting, the leader has to split the communication into multiple sessions instead of calling one big meeting where people sit together. This is because leaders need to make sure that everyone will understand the message correctly and have enough time for them to ask questions.

In addition, leaders stated that low productivity comes from people hesitating to ask and discuss because they don’t know whether another party is available to talk or not and it requires more courage to reach out to people. This situation happens frequently, especially with new joiners. Leader C gave an example *“We have a newcomer in the team, initially I noticed that he spends too much time on the task*

assigned and only asks by chatting not calling. So, I approach him more and open a free time slot for him to ask any questions during the day. This helped increase his productivity and I applied for not only the newcomer but also the current staff as well. Some people in my team told me that I looked very busy and was afraid to talk.” As a result, this has become a challenge for leaders to empower their staff and increase productivity.

- **Teamwork challenge**

Teamwork is another important challenge for working in a crisis. Due to this crisis period, leaders cannot monitor the process of work, so leaders cascade down the job, guide the process for delivery and evaluate the results. This way of walking makes staff focus their task individually and reduces work collaboration. For example, Leader J who is a leader in Automotive business stated that *“I distribute the tasks to each of my team members by considering their capability. Their results were good as they were able to focus on tasks assigned but the collaboration disappeared. They cannot learn from others and this is my responsibility to highlight it.”*

4.1.2 Positive challenges from Covid crisis

Some businesses get a positive impact from Covid19 as they can generate more revenue compared to normal situations. So, they face a positive challenge from those increased demands of the business.

- **High workload due to high customer demand**

First of all, the increasing demand creates a workload for companies. This is a good sign for companies that their business is growing and also good for employees as well. But in the crisis, the increase of demand is fast and companies have less time to prepare the operation work process and manpower to support. As a result, it generates pressure on staff, they burn out and some people finally resign as they cannot adjust with a high workload. Leader H who is a leader in the logistic industry, mentioned that *“We have a good impact from covid as we can sell more, and we can mark up more margins. At the same time, our staff was very pressured because they have more work and they need to finish as fast as possible to serve client needs. This impacts directly to their work life balance and some staff cannot balance well which ends up with the resignation.”* As a leader, the main responsibility is to maintain the productivity by still

encouraging the staff to have a work life balance. Because the resignation affects business negatively in several aspects such as double work for staff during recruitment and demotivation team's atmosphere. The leaders also revealed that during a crisis, turnover is greater compared to before the crisis, this is a positive challenge for leaders to handle and find the possible solution to maintain people and business.

Leader A, Branch Manager in workforce solution business, also encounters a positive challenge of workload from the rise of customer demand as well. Leader A mentioned that their clients decided to terminate some employees in the company and use the outsourcing to work instead in order to decrease labor cost in the long run. Her business nature is to send a workforce to work for clients' companies and get a top up fee from outsourcing staff salary. As a result, the company gets more orders from clients as they request more outsourcing staff and the workforce solution business grows in the meantime. In addition, their current clients request help from her company to support more. As a business nature, they send the workforce to work as an outsourcing for the company so many companies want a supportive more e.g. insurance for outsourcing staff, protocol after outsourcing getting covid, covid testing for outsourcing staffs, etc.

- **Performance Management**

Another positive challenge is leaders encounter the people capability challenge. The work is more tough as mentioned and some of the staff can not enhance their skill to respond to the change so the leader is able to see who are the high/low performers and high/low potential. Hence, performance management during a crisis becomes more crucial.

4.2 Leadership Style in Response to the Covid Crisis

During the interview, we asked the interviewees about how they approach the change and how they lead the people, to see what their leadership styles are. From the interviews, there is evidence that the transformational approach is used commonly among 8 leaders. During the crisis the employees want a clear direction to work on and a role model in case of going through bad events so as a leader, they apply the leadership transformation characteristic to manage it by changing employees attitude from negative to positive, building trust, and pay attention to inspire subordinates to go the extra mile.

In the covid situation, the company adjusts policy frequently, and it is confusing to staff and sometimes it leads to a demotivation. So, managers state that they need to cascade only the direction that is already clear and important to avoid the confusion and also transform it into an inspirational vision to motivate their staff.

In addition, the leaders should be a good role model for employees so they can see how to think and react to the uncertain situation. For example, Leaders D mentioned that *“Everytime that we have change, I communicate only the key things that my crew need to know, and I need to be a good role model to show them that change is a good sign for us to go over the Covid so if we did not change, how we can win. I always encourage and show them that we can change.”* Also, the interviewer revealed that coaching them to work under problematic situations helps staff to be able to work more smoothly and gain back their motivation. This is because the leaders are down to see the real issue and individualize the coaching to close the gaps and increase capability.

In the interview session, 6 of them mentioned that they sometimes use a directing style. They use a transformational leadership approach as a bottom line but sometimes this approach is quite slow to change so they adopt the directing style to elevate the results. For example, manager F said that *“Changing staffs’ mindset is a key thing to work on, but time is sensitive in covid situation. So I direct and set the commitment when I want them to change and deliver the results fast because we have no time. Then, I always explain the reason after in order to make them understand why the directive style was adopted.”*

Some managers use the situational approach in the crisis. They analyze each employee and respond individually. When they analyze the staff, they consider their behavior together with the potential or competency of each member for customization of the coaching and communication styles. If the staff have a high potential and have an open mindset, leaders tend to only delegate the task and frame of work, then he/she is able to perform herself. In contrast, if their staff are a low performer and tend to not adapt well to change, they will use the directive style where managers need to tell step by step. For example, leader B said that *“Even we work remotely during Covid19, I still need to customize the communication and management approach depending on each member, for example some staff they know what is the most important and be able to*

work dependently but some staff I must explain and tell them what is the priority to deliver.”

4.3 Leadership Competencies Used for Managing People during Covid Crisis

In the third part of the interview session, we asked the question focusing on the leadership competencies that they used during the crisis for managing people in unexpected situations from Coronavirus. The answers were probed not only to know the competencies they use but also to understand why they use those competencies and how it helps the situation better. Competencies listed are commonly used across the interviewees who are in different positions and different industries.

4.3.1 Sensitive communication

As a consequence of challenges from covid19 crisis mentioned above, all the interviewees face the tough event that requires communicating to staff such as organization change, operation revamp, increasing target/KPI. These are the sensitive changes which are a direction from the management team and a must to do to sustain the business. Leaders or managers are the connection between the company and the employees so all the communication and policy from the company should be communicated by leaders or managers transparently and promptly.

All interviewees said that as a leader, they need to have a master communication skill to send the right key message to reflect the real event while still motivating their subordinates especially in sensitive matters. Leader F shows her perspective that *“Communication skills are used every minute while we are in the manager roles. In the covid and working virtually, only communication from managers reaches the employees. So, we represent the company to talk to them. Some matters like organization change, we prepare and rehearse many times before communicating as it impacts their life significantly and impacts them more than us.”* Communication is a key challenge for working from home as we don't see each other's response and communication is also a key skill that the leader should elaborate so it is clear that

sensitive communication is the critical skill for managing people in the Covid crisis period.

4.3.2 Self awareness and Self management

Self awareness and self management are another significant factor to success in managing people. Leaders should have a strong emotional intelligence, especially in the aspect of self awareness and self management in order to motivate and lead a team to achieve the company goals. As stated, leaders are the connection between the management team and employees so this is a role of high pressure because they need to manage people both stakeholders and also run the operation. Hence, self awareness is crucial in order to understand your feelings towards the situation.

Self awareness is a bottom line for self management. Interviewees mentioned that the expression of emotion during covid19 is matters for staff because in the circumstance, the leader is a role model and most connect with staff so managing the feeling expression both negative and positive feelings affect subordinates directly. Leader I said that *“I am under a lot of pressure from the changing policy that creates more toughness but I still need to control the situation where I cannot show hesitant behavior and be confident. So I am aware of what I am feeling right now but as a leader I cannot express it directly, this is a significant thing I think managers should do especially in an unstable time.”*

4.3.3 Empathy

Not only the self awareness and self controlling that a leader should have, but empathetic also was mentioned in every conversation having with interviewees. The crisis creates stress to staff such as working from home, increasing target/KPI, family being infected with Covid so deep understanding to employees both personal and work life will help them release the stress and empower them. Many leaders adjust their style to not only focus the job but show empathy more. Leader J gives the example in the conversation that *“When I have a one on one meeting with my team I will start with the overall life of my subordinates to check whether they are fine to work under this situation because if they have any concern or stress we should help them address the solution.”* Leader D also mentioned about empathy that *“In the moment we should*

understand the staffs' situation. Some people are very stressed that her family is getting covid so follow up or focus only the job may demotivate and not a good behavior for manager during this time.

4.3.4 Growth mindset

The growth mindset is another competency used to overcome in this covid situation for all the leaders. 6 Leaders mentioned that being open minded to learn new things towards the change is very critical in managing people, especially talent nowadays. As we know that covid situation creates the challenge in many aspects and adapts to change in managing people as well as the business. If we stick to the old way of work, and do not see problems in a positive and possible way, we will not be able to attract and retain talent in the organization. For example, leader A mentioned that *"I adopt the growth mindset to maintain the people in the organization because the organization change is here and we need to work under the rapid change so if we have a fixed mindset, we could not help the team pass through the bad situation. So we show them that covid situation helps us to develop ourselves, without change we cannot grow further."*

The challenge is to transform people's attitude to a positive and possible mindset. Leaders pointed out that only the growth mindset for leaders is not enough to overcome the covid19 challenges, leaders need to develop subordinates' mindset from fixed mindset to growth mindset, so that company can grow and sustain during this tough time. As a result, developing a growth mindset for the staff is another key responsibility for leaders to coach and help them look at the problem in a new way. For example, leader D elaborates that *"Growth mindset matters in this situation, nothing is impossible. We transfer to sell from offline to online. Not only my staff need to learn how to sell online, but I do too. Otherwise, I cannot guide and plan for success. On the other hand, if anyone cannot adjust themselves and has a fixed mindset, they cannot achieve the sales target and will not be able to stay in the long term. So, try to change their mindset, it was successful for some people, some was not."*

4.3.5 Building trust

Remote working is applied and it will become the new normal for many companies. Some companies announced a policy allowing employees to work from

home or work from anywhere even when the covid is released. The visibility of managers is reduced as we cannot see people working physically anymore so building trust is another important competency for managing people in crisis.

The interviewees said that trust decreases the gap hierarchy between the leaders and followers. When leaders can build the trust in the team or subordinate trust manager, subordinates will be brave to come and consult the problem effectively and this creates a positive side to business results. Leader H emphasizes trust that *“We lack visibility of each other because we work from home. So we must create trust in the team, without trust we cannot manage the people and the delivery effectively. If people do not trust the manager, they will fear and report the issue late, and we might not help him/her fix it on time. It is different from before where I can see what is going on in the office and I can go and support right away. It depends on the level of trust that we have.”*

On the other hand, interviewees point out that leaders should trust followers as well as we did not see each other in person, so leaders should trust that they can do and always be available for staff to discuss in case of any issue in order to prevent the negative impact of business results.

According to a lack of visibility during working from home mentioned, managers cannot monitor every single process of working so interviewees state that they use the trust bases and results oriented instead of process oriented. Monitoring processes during remote working is hard and creates stress for staff, so if the leaders do not use the trust based and results oriented, work will be delayed because you are doing micromanagement and leads to turnover finally.

4.3.6 Prioritization

In critical situations and a lot of changes, prioritization is one of key competencies for leaders to manage people and business results. 5 interviewees mention that the right results come from right prioritization as leaders have many ad hoc tasks to finish during a crisis so leaders need to set a priority and plan to most effectively.

In an abnormal situation like the crisis, the manager is a key person in driving needed work for business because it is not an operation routine, staff might not know exactly what is the most critical for business right now and what they should finish earlier. As a result, leaders should help staff in prioritizing the workload. This

competency has been used across the business industry, especially for the business that has a positive impact and leads to workload. Leader B who works in the workforce solution stated that *“We have a lot of requests from clients, every request seems urgent so as a manager I need to see each project and each request carefully in many aspects such as project profitability, time concern, sensitivity of requests. The priority may change depending on the situation so we need to monitor the situation closely and communicate to our employees often.”*



CHAPTER V

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

Coronavirus has emerged and affected all the organizations to change in both business and people management aspects. People management is the challenging part for a company to deal with and the leader is the connection between company and employees so leaders become a critical role during this period. As a research question, the objective is to identify the challenge and understand leadership competencies needed during a Covid crisis, how they apply those leadership competencies responding to the change and overcome the unexpected situation.

According to data analysis, we have found that the covid crisis influenced positively and negatively to organizations which directly impact employees' life directly. The negative challenges are changing way of work rapidly, limited resources (manpower and spending), remote working challenge, and teamwork challenge. Leaders who are in the company getting negative effects receive a high pressure and if they do not manage the people well, it will lead to turnover. But some companies face the positive challenges from this crisis which is a high workload due to more market demand and low performer issues. So, the leader also should manage and find the solution to prevent the staffs' burn out issue and high turnover rate.

To deal with both positive and negative challenges mentioned, leaders use 3 leadership styles to approach employees depending on the situation. First common style is transformational leader. The leader tends to be a good role model and create an inspiring vision and change their attitude towards the current situation. Moreover, they also combine the transformational style with the directing style when they need to quickly change the staff's behavior. The last style is the situational leadership approach which requires leaders to have flexibility and adapt to situations and the readiness of followers. After considering the data analysis together with the literature review part,

we discover that the leadership style used in the Covid crisis aligns with the information mentioned in the literature review chapter.

From the in depth interview we found that the competency that leaders should have during the covid crisis are 6 competencies which are the sensitive communication, self awareness and self management, empathy, growth mindset, building trust, and prioritization. Communication is perceived as a critical skill as the situation has changed dramatically and leaders need to communicate many sensitive matters to employees. This matches with being said in the literature review that leaders should have good communication to shape people's attitude in an emergency time.

Secondly, self awareness and self management also was mentioned from both interview analysis and literature review. This is a key success for managers to overcome the uncertain situation. Leaders should be expert in self-awareness and self-management first in order to be able to influence people's attitude and manage teamwork during this period. Empathy is an important competency in managing people during a crisis. Empathy helps leaders raise a positive working environment for the team. Another competency is a growth mindset. This is important for a leader because covid forces the company to be adept to do new things, so looking at problems in a positive way is crucial for leaders to respond and show to employees. This growth mindset competency also reflects that a leader with growth mindset will adapt well to change and have a flexibility in work as mentioned in the literature review that decisive adaptability is a key to help leaders manage the unexpected change from crisis.

Regarding remote working challenges, building trust becomes another key competency for leaders. So, leaders should build trust from employees and also should trust employees as well when we lack work visibility and this situation leads to results oriented working styles. In addition, the workload challenge influences leaders to master prioritization to get the most effective results for the business. The results can be summarized in the research framework as shown in the Figure 5.1 below.

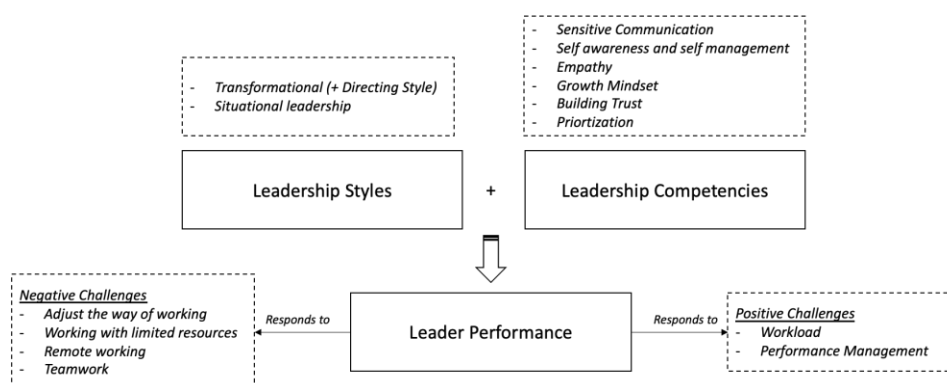


Figure 5.1 The results summary in the research framework

5.2 Recommendations

According to the covid situation that creates the workload challenge and this highlights the people capability issue where manager or leader should close the gap of subordinates' capability. So, leaders who are able to maximize people capability will be able to perform crisis management effectively and be able to preserve the knowledge and productivity for organization (Ramlall, 2004). Increasing people/team capability will provide many benefits to employees, leaders, and company during crisis as follows.

- Increasing work efficiency and productivity: The work delivered to client and company will be on time with a high quality due to staff having more capability to complete their jobs. Also, it increased the productivity of members and the team.

- Creating a high-performance team: If leaders have a people capability building skill, they can transform to a high performance team.

- Lifting up team morale: Team morale will be increased as the people in the team are capable of helping each other to complete the jobs effectively (no free ride).

- Reducing workload: The more productivity is increased from higher capable people, the more workload will be decreased.

In summary, to create a high-performance team for leaders is essential to overcome the covid crisis, so leaders should develop people capability building competency to generate high performer more in the organization. Developing people's performance, leaders can adopt the situational leadership framework in evaluating each member and design the suitable learning in increasing their skills and also leaders can collaborate with HRD in designing people capability building path, for example,

coaching, new training, mentor program (pair focused people with a high performer), redesign role and responsibility for each team member (Eisenberger et al, 2002)

5.3 Limitation of Research

The research results come from a small group of interviewees from 6 industries which are logistic, telecommunication, people workforce solution, FMCG, automotive and retail. Future research should increase the sample size and include interviewees from different industries.



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