

## **Crises bring out the quintessence of the manager**

The crisis the World experienced in 2020-21 was one of an unprecedented type in recent decades. On a global scale, people found their lives trapped into restrictions not so dissimilar from life under war conditions. Among the most striking ones were the unprecedented restrictions imposed by health measures over economic activities and the most basic human freedoms. The deepness, vastness, and speed of such a change in the lives of virtually everybody on Earth bring me to the following question:

### **How will historians look at the 2020-21 world pandemic in just a hundred years?**

This is an intriguing question, and surely it was one that Peter F. Drucker would have asked, as he wrote:

*In a few hundred years, when the history of our time will be written from a long-term perspective, it is likely that the most important event historians will see is not technology, not the Internet, not e-commerce. It is an unprecedented change in the human condition.<sup>1</sup>*

In this sentence, Drucker was referring to the incredible amount of changes observed in the last decades of the XX Century and the incredible amount of choices made available to everybody, requiring the ability of self-management.<sup>2</sup> The World pandemic of 2020-21 surely was an incredible accelerator of that. The way people reacted to those changes, leveraging on technology and digital transformation, would have appealed even to science-fiction writers. I can't help but think of a writer like Isaac Asimov who, moreover, was fascinated by History.

Indeed, Asimov intended science-fiction as a way to explore how humans will react and behave to new events, including new technologies (i.e. robots, AI, space travel,...). Unsurprisingly, Asimov's novels about the Galactic Empire were molded upon his knowledge of the Roman Empire and its decline<sup>3</sup>, therefore assuming that

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<sup>1</sup> P. F. Drucker, "Managing Knowledge Means Managing Oneself".

<sup>2</sup> P. F. Drucker.

<sup>3</sup> Leslie, 'Isaac Asimov'.

human nature should have more than some never changing traits among centuries or millennia.

Somehow, the interest in human behavior is a common trait between Asimov and Drucker, as the latter stated that economists of his time were just studying the behavior of commodities, when he decided to switch to the study of the behavior of people instead, setting the ground for modern management<sup>4</sup>. Asimov, in his Foundation cycle, developed the idea of a new science, called psychohistory, broadly defined as a science by which one could “*unravel human emotions and human reactions sufficiently to be able to predict broadly the historical sweep of the future*”.<sup>5</sup>

Understanding the behavior of people is not only the task of historians, social scientists (and science-fiction writers), but the very essence of the tasks of managers, who are in charge of acting upon human behavior, eventually leading to either good or bad results for the people they are in charge of.

### **Managers are like captains**

This also implies that managers are required to cope with crises, when they hit. And to avoid them as much as they can. Not differently from the captain leading his ship in good and bad waters. Does it even exist a captain not able to face the storms of the sea (and to be so named)? Of course not, as no one can choose the weather of the sea. So it is for the manager. Managers cannot choose the future to live in. But they can contribute to building it.

What made the 2020-21 crisis a bit apart, however, was that the Covid-19 storm was like one of those storms hitting every and each ship on their way, no matter whether in the open sea, along the coast, or even at rest in a safe harbor. Every manager, virtually in all sectors, had to cope with such a storm at a certain level. And this was true worldwide.

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<sup>4</sup> Hardesty, 'What Do Managers Do?'

<sup>5</sup> Nevala-Lee, 'What Isaac Asimov Taught Us About Predicting the Future'.

## **What set the 2020-21 crisis apart**

Whereas other crises can affect just this or that sector of the economy, that country or a different one, this time the World as a whole was involved in a global crisis in less than a few months. As a young manager just starting a very new position, with the role of Head of Innovation, I do remember the very first reactions and behaviors when the crisis was still far away, and its nature of global storm was not at all in the minds of the most.

I realized the gravity of the situation quite far too, but likely a bit earlier than many others, when I heard about the very first cases of Covid-19 less than 500 km away. This was surely in part due to my background in biology, before management. I can even remember a seminar I had taken when still at university, just for “fun” at that time, about the role of bats as virus reservoirs.

I do clearly remember a conversation I had when most of the people were still perceiving those cases as a kind of flu. I should also remember a similar fear a few years earlier during the Ebola outbreak in Africa. However, thankfully, at that time the story didn't go on in the same way as with Covid-19. The main difference was in the very nature of the virus: Extremely lethal and low spreading for Ebola, and relatively low lethal, but high spreading for Covid-19. Which eventually led to the world pandemic.

Back to challenges in management that I had to experience, the still scientifically unproven, but tremendously anecdotal, Murphy's law applied in my case, as I eventually discovered that my very first task was setting up a new department, almost from scratch, and all this during a pandemic. The fact that my company was strongly committed to pursuing the way of Research & Innovation when other ones started to switch down similar departments because perceived as “nice to have”, was surely part of the eventual success. This personal record brings me straight to one very important lesson that managers can take home from a crisis: The importance of learning.

## **A straight example of crisis-induced transformation: Digital Transformation**

Because when governments realized the very nature of the crisis, suddenly, in a matter of literally one night, companies, schools, institutions, everything had to move from 0 to 1 in terms of digital transformation. But digital transformation is not just a technological issue. Instead, digital transformation is mostly and foremost a

cultural and human resources issue. Because, even with the right technology, it can't work until everybody, from young employees to senior managers, is fully able to use the technology properly. Implying training, education, and, in short, cultural transformation.

### **A key lesson: The importance of learning**

Therefore, if today managers wish to cope with the next crisis (whatever it could be: large scale IA implementation, trade-wars, disruptive startups in your field,...) they should first spend time on identifying those risks, set them in a proper strategy framework and, consequently, allocate part of their time and the one of the employees to learning the adequate skills. Moreover, this is even more straightforward at the level of an entire company. In that case, the long-term "learning center" is an already existing function of the company: The R&D with its corollaries (innovation department, corporate think-tank, et cetera). What is missing sometimes is the connection between this "learning center" and the rest of the company, from the board to the newest of the employees.

The importance of learning is indeed what Bill Fisher explained at Drucker forum 2020 when he stated that "*in a crisis, learning becomes more important than knowing*"<sup>6</sup>. And the same is true at the level of entire countries. The ones that had been properly funding scientific research and forecast studies were the ones better prepared not only at the beginning (e.g. because of their general pandemic plans, the availability of stocks of masks, or the readiness of hospitals to any event) but even the ones that hosted the first production of vaccines.

### **Learning is like a cultural vaccination**

And since learning always takes time and effort and resources, learning can't be set up only when crisis strikes. Instead, it should be like a background, an ever-running process. Continuous learning likely is one of the winning habits of successful people, teams, companies, organizations<sup>7</sup>. Allowing them to continuously improve themselves in normal time and being prepared to better react to crises when they hit. Not differently from our immune system, which can learn to recognize new

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<sup>6</sup> Bill Fischer, 'Leadership in a Post-Covid World'.

<sup>7</sup> Coleman, 'Make Learning a Lifelong Habit'.

viruses before encountering the real ones, thanks to vaccination. Yes, learning is a kind of cultural vaccination.

This is an incredible lesson to be learned because other challenges are coming: from the environmental challenge to migration and demographic challenges affecting different regions of the World. Moreover, the pandemic crisis is currently shifting to an economic and social crisis in many regions, and this will happen more and more with the pace of the lowering of public aids on one side, and the lowering of the fear of the virus among people on the other side. It is generally thought that the young generation will mostly face the economical consequences of the current crisis. Both because of the long-term effects for years to come (that will inevitably be faced by people who are young today), and because in many areas of the World, the young are the least protected by the social system<sup>8</sup>.

Given this picture, a crisis of one kind transforming into a different kind of crisis, and the new challenges still awaiting, what can we specifically learn from Drucker about crises and how to tackle them?

### **Crisis: Lessons from Drucker**

Drucker indeed analyzed crises in different works and at different times. The most fascinating lesson from him, to me, is the fact that Drucker “*saw crises as great opportunities*”<sup>9</sup> and this view is matching the way the Chinese call a crisis: By joining the ideograms meaning “risk” and “opportunity”<sup>10</sup>. I find this exciting because in such a game managers are the players who can leverage the opportunities that every crisis brings, and use them to win the game, eventually transforming the World we live in.

For instance, when we look at what happened in 2020-21, we can also recognize, along with the pain and risks posed by the virus, the emergence of many opportunities in so different fields that, once fully leveraged by managers, and especially the young ones, they could result in a completely new World.

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<sup>8</sup> ‘Young People Will Bear the Brunt of COVID-19’s Economic Consequences’.

<sup>9</sup> Vasconcellos, ‘Decision Making in a Time of Crisis: Drucker’s Recommendations’.

<sup>10</sup> Vasconcellos.

## **A non-exhaustive list of opportunities emerged thanks to the crisis...**

Schools and Universities switched most, if not all, their teaching activities online. Erasmus and exchange students even started doing their exchange from home.

Most companies and public offices eventually switched most of their services and ways of working to fully online or mixed ones. In many countries, citizens were eventually able to fill online forms and avoid all the (real) paperwork that was previously asked by them.

Meetings and conventions could eventually take place in any case thanks to the Internet.

Some businesses among the ones that were obliged to shut down, especially in restaurants, hotels, fashion, were able to fully reinvent themselves adding new online shopping experiences, implementing new apps, or leveraging on previously underexplored businesses.

I found extremely fascinating the switch to TV shows made by many theaters and Opera theaters. Something underexplored before the crisis till the point that, likely, never as during 2020-21 so many people were exposed to stage performances. The same applied to several museums that reinvented themselves by bringing their collections online and becoming in a certain way “content producers”.

And surely, the life sciences underwent an incredible acceleration. Fully safe vaccines of a completely new kind were invented, tested, and scaled up while going through the fires of Regulatory Approval in less than a year.

## **And a non-exhaustive list of new realities that may develop out of them**

If we take just the above points we can see the incredible opportunities they opened, if leveraged in the right way.

Learning and teaching could be properly done online allowing a more intense exchange among Universities worldwide. We can, for example, expect the birth of more double degrees among far distant Institutions because, now, the potential of online teaching has been widespread, reducing fees and costs linked to traveling and staying in a different country or region of the World<sup>11</sup>.

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<sup>11</sup> Witze, ‘Universities Will Never Be the Same after the Coronavirus Crisis’.

Digital transformation in the public administration has now been fully experienced, and the way to reduce bureaucracy and improve the satisfaction of citizens with regards to their Institutions has been paved<sup>12</sup>.

Companies, even the most traditional ones, have been forced to move or at least explore remote working, suggesting that, although fully digital is likely neither possible everywhere, nor always desirable because of the importance of real-life interactions, different degrees of integration between digital and real-life ways of working cannot be considered taboo anymore<sup>13</sup>.

Surely, we also discovered the dark side of remote working, with longer working hours and no pauses between one conference call and the next one, leading to a mental burden that added to the loneliness brought by lockdowns<sup>14</sup>. But again, what managers will choose will make the difference between hell and paradise. A balanced mix of remote and physical working will likely be part of the post-pandemic world.

This will allow the most advanced companies to leverage on remote working, this time to provide better life-work balances to their employees, leading to talent retention and, eventually, higher productivity as never before.

New and successful businesses will likely emerge thanks to new ways of experiencing services (from restaurants to traveling, till museums and performing arts), also before and after the actual experience<sup>15</sup>, where many existing gaps could be filled thanks to digital technologies. Some of the most important museums and theaters of the World could evolve from mostly “culture repositories” to actual “cultural players”<sup>16</sup>. Even mass culture shapers, if they will choose this way.

Moreover, the advances made by the life sciences in finding a Covid-19 vaccine in such a short time still have to reveal their potential in treating intractable diseases, from HIV to cancer<sup>17</sup>.

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<sup>12</sup> Nienaber and Woodcock, ‘Digital Transformation in Public Administration – COVID 19 Created the Sense of Urgency’.

<sup>13</sup> ‘COVID-19 Digital Transformation & Technology | McKinsey’.

<sup>14</sup> Bryan Robinson, ‘Is Working Remote A Blessing Or Burden?’

<sup>15</sup> Henry Tricks, ‘The Return of One-to-One Commerce’.

<sup>16</sup> King et al., ‘Digital Responses of UK Museum Exhibitions to the COVID-19 Crisis, March – June 2020’.

<sup>17</sup> Ball, ‘The Lightning-Fast Quest for COVID Vaccines — and What It Means for Other Diseases’.

## **Crises bring out the quintessence of the manager: Transforming opportunity into reality**

Those above are only a few possible<sup>18</sup> realities among many other paths that History might follow. We still don't know and still can't predict the future, since the science of psychohistory envisioned by Isaac Asimov in his novels<sup>19</sup> still has to be invented. But we know who will be among the most important players in shaping the future. Managers, and especially the young ones, the ones that mostly experienced societal disruption during the crisis and the ones that will face the long-term economical consequences of the crisis. Managers will be on the frontline of those transformations.

More than that, managers can and should be the players leading the game. Because transforming opportunity into reality, is part of the quintessence of the manager.

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<sup>18</sup> Cohen, 'Peter F. Drucker and the COVID-19 Crisis'.

<sup>19</sup> Leslie, 'Isaac Asimov'.

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