How to Lead and Mentor Through Uncertainty and Change



# Contents

- → Introduction: Phew, What a Year
- → Chapter 1: What Companies Got Wrong During The Pandemic
- → Chapter 2: Tackling VUCA Head-On
- → Chapter 3: How to Effectively Communicate Change
- → Chapter 4: 6 Ways to Help Your Employees Through Uncertain Times
- → Chapter 5: What We Can Learn from the Post-COVID Great Resignation
- → Conclusion: Why Mentoring Should Be a Part of Your

Learning and Development Program



# Introduction

When the COVID-19 pandemic hit, the world was shocked into change, bringing about a lot of uncertainty, insecurity, and anxiety. Some industries took massive hits, some organisations downsized, and most of the working population had to pivot to unfamiliar working arrangements and environments almost overnight.

This brought into focus how most organisations are ill-equipped to deal with change and uncertainty—and supporting their employees through it.

The COVID-19 situation is on the extreme end of the spectrum, but the reality is that this kind of uncertainty and change doesn't just happen during a global pandemic. Things like a massive company **downsizing, economic recession, or even mergers and acquisitions** can cause uncertainty and anxiety among an organisation's workforce. When these things happen, more often than not, companies experience problems with engagement, retention, and attraction of new talent.

In fact, it's estimated that 47% of key employees leave within the first year following an M&A, and 75% leave within the first three years.

What EY calls the "Human Capital Gap" can account for 10–15% of the total purchase price of the company, or a value equivalent to 15% of a company's profit.

In this eBook, we'll explore what the COVID-19 pandemic put into focus, what lessons we can learn from it, and what we can do to prepare for the next time we are faced with similar organisational upheavals.

## Chapter 1: What Companies Got Wrong During The Pandemic



Because of the changes brought about by the pandemic, everyone has had to adapt—and employees everywhere looked to management to see how they would respond.

While most executives and business leaders focused on business continuity, some did it better than others. Let's explore where things went wrong for some so that you don't make the same mistakes.

#### 1. The De-Prioritisation of Innovation

Many businesses simply can't operate as they have in the past; what made a company successful pre-pandemic may no longer be possible during or after it. That's why it's important that organisations continue to innovate—now more than ever.

According to McKinsey's report, *Innovation in a crisis: Why it is more critical than ever*, "prioritising innovation today is the key to post-crisis growth." However, McKinsey found that many business leaders were deprioritising innovation to concentrate on:

- Shoring up their core business
- Pursuing known opportunity spaces
- Conserving cash
- Minimising risk

Many planned to return to innovation-related initiatives only once the world had stabilised, the core business was secure, and the path forward was clearer—but this may be short-sighted.

That's because McKinsey's findings proved just the opposite. The report found the following beneficial to organisations, particularly during times of crisis:

- Meeting shifting customer needs
- Identifying and quickly addressing new opportunities
- Reevaluating the innovation initiative portfolio to ensure resources are allocated appropriately
- Building the foundation for postcrisis growth in order to remain competitive in the recovery period

Furthermore, all such initiatives can bolster companies' ability to grow in the years to come.

#### 2. Unpleasant Company Culture and/or Toxic Workplaces

Companies that already had an unpleasant, unstable, or even toxic work culture before the pandemic and didn't take a step back and try to improve it in 2020 are now paying the price. That's because many of those issues were only exacerbated by remote working arrangements.

Toxic workplaces don't simply stay in the office; they follow workers home when they work remotely. And additional factors like isolation can aggravate the challenges of working with bosses or colleagues that are unsupportive, controlling, or downright rude.

Many workers are now finding it imperative to put their foot down when it comes to the environment in which they work, leading to mass resignations. As John Goulding, CEO and founder of employee communication platform Workvivo put it, "Above a certain point, people want to feel part of something bigger, a company with a great culture of emotional connection, recognition, and communication. If a CEO isn't deliberately creating that culture, they're bound to fail."



#### 3. Profit Over People and Failure to Adequately Support Employees

This mistake kind of piggybacks on the former. When organisations prioritise profit over people and fail to adequately support their employees, they're bound to lose them.

During the COVID crisis, many employees saw their compensation reduced or benefits cut as a response to the slowing of business. Others were met with silence when they voiced their concerns and worries during the pandemic. And still more weren't provided with the adequate resources they needed in order to cope with remote working.



In order to ensure employees not only stay, but are happy with their workplace, leaders must show they care about and are committed to their team members' well-being. "For almost everyone," said Ross Seychell, chief people officer at Personio, "the pandemic put an acute focus on: How has this company I've given a lot to handled me, my health, or happiness during this time?"

Greg Keller, CTO at cloud-based IT platform JumpCloud echoed this sentiment, adding that retention is the new fight for business leaders, and it's one that's being waged digitally. "You have to support your staff and make them feel valued. If you don't, you're not just competing with every company in commuting distance to retain that employee, you have to compete with potentially every company in the world."

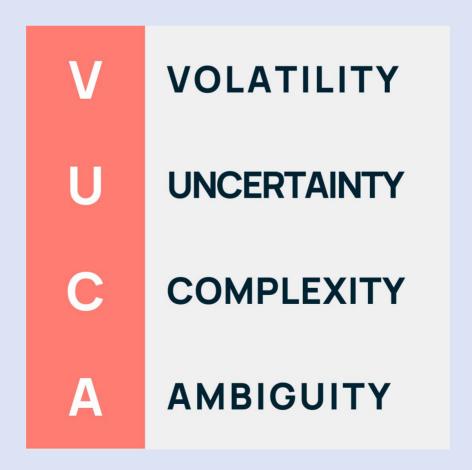


If your organisation has made some of these mistakes, it's not too late to address them. A mentoring program can be a tool to address employees' concerns about their own place and development in the organisation while increasing your chances of retaining talent.

## Chapter 2: How to tackle VUCA Head-On

VUCA is an acronym that stands for Volatility, Uncertainty, Complexity, and Ambiguity, combining four distinct challenges that have four respective responses.

Let's explore all four aspects of VUCA as something your team members (and quite likely you as well) are experiencing right now and how your business can respond to each.



## Volatility

Volatility occurs when something is unexpected and/or unstable and may last for an unknown duration of time. Compared to other aspects of VUCA, volatile situations are not necessarily hard to understand as information is often readily available. As contributing writer to Forbes Jeroen Kraaijenbrink puts it, "The more volatile the world is, the more and faster things change."

The way we deal with volatility depends on how prepared our organisations were before volatility struck, which means a proactive, as opposed to reactive response, is better. For example, if your organisation already operated remotely part- or full-time—meaning you already had all the tools in place in order for your employees to work from home—then the volatility presented by the COVID-19 pandemic would have been easier to manage.



## Uncertainty

As Harvard Business Review (HBR) puts it, uncertainty can be characterized by the following: "Despite a lack of other information, the event's basic cause and effect are known. Change is possible but not a given."

In order to deal with uncertainty, companies can "invest in information—collect, interpret, and share it." HBR continues by noting that "this works best in conjunction with structural changes, such as adding information analysis networks, that can reduce ongoing uncertainty."

By obtaining as much information as possible regarding what this new change in circumstance will mean for your company and sharing that information with your team members, your employees will have more clarity as to where your organisation—and where they themselves—stand.



### Complexity

A complex situation is one in which the situation has many interconnected parts and variables: "Some information is available or can be predicted, but the volume or nature of it can be overwhelming to process."

The best way to handle complexity is to first build up resources to adequately address said complexity. What resources do you already have that can help you out? What do you need to go out and search for? Do you need to hire or develop a specialist who can simplify your business's specific complexity in-house? Do parts of your organisation need to be restructured in this new climate?



## Ambiguity

Ambiguity is characterised by situations where "no precedents exist; you face 'unknown unknowns.'"

We definitely felt this during the pandemic, when the modern workforce had never faced something like this in our lifetimes. Similar to handling volatility, we should face ambiguity with a proactive rather than a reactive response. Now that we know what some of the variables are, we can better prepare for them.



So what can you do? Explore. Now is the perfect time to test out new ways of working and collaborating together as a team. After all, as HBR notes, "Understanding cause and effect requires generating hypotheses and testing them." However, make sure you design your experiments so that those lessons learned can be applied more broadly.



## Chapter 3: How to Effectively Communicate Change



Oftentimes, during uncertain times, change is required to cope. Resistance to change is to be expected, especially since there may already be underlying anxieties and insecurities among your teams at this time.

Armenakis et al (1999) identified five key change message components: Discrepancy, Appropriateness, Efficacy, Principal Support, and Valence. In this chapter, we explore how you can use these five components to more effectively communicate with your teams during times of uncertainty and change to hopefully make the road ahead smoother.

### 5 Key Change Message Components

#### 1. Discrepancy: Why is change needed?

"Discrepancy addresses the sentiment regarding whether change is needed and is typically demonstrated by clarifying how an organisation's current performance differs from some desired end-state."

During times of change and uncertainty, it is especially important to show people why they must adapt in response to the changes that the organisation or society is currently facing. Many people don't like change. And even when it's necessary, a lot of people still resist it. This is why it's important to convince your teams that change is 100% necessary in order to address something that is either wrong, no longer working, or to mitigate the negative effects of something that is inevitable. They need to believe that change is **needed** in order for them to be on board with the new initiatives that are coming.

#### 2. Appropriateness: Why is this particular change right for this situation?

Sometimes, even if people agree that change is needed, they disagree with the specific change being made. Your message to your teams should communicate **why** the changes being proposed are the right course of action for your organisation. Make sure to address key concerns associated with the adjustments you are proposing to drive home the idea that this change is what's right for your teams and the larger organisation.

## 5 Key Change Message Components

#### 3. Efficacy: How will this change help the issue and why will it work?

"Efficacy refers to sentiments regarding confidence in one's ability to succeed." And sometimes, people are only moved to accept and embrace change when they can see a path to success. Help your people visualise what success looks like, show them why you think it's 100% attainable, and explain why it will work to address your current issues.

Then, provide your employees with the support, tools, and resources they need to best adapt to the changes that are coming. This alleviates their fears and gives them the confidence to embrace change and move forward in the direction the organisation is going.



#### 4. Principal Support: Will this actually happen?

Employees may be skeptical of change efforts as they may have seen many of them stall in the past. It makes some of them unsupportive of change and unwilling to participate in any effort related to it.

Therefore, they need to see a clear demonstration of support for the changes that are happening; that's where management and other key leaders come in. Employees need to see that the change agents are walking the talk. This gives them the confidence that these changes **will** actually happen because leadership is on board and working towards making sure change happens as smoothly and successfully as possible. This encourages them to accept the changes and actively participate in making them succeed.

#### 5. Valence: What's in it for me?

Your teams must believe they will benefit extrinsically or intrinsically from embracing and participating in the change efforts being put forward. Help them answer the question, "What's in it for me?" Showing them how they stand to benefit from the changes gives them even more motivation to actively engage in activities that put the organisation on the right track. Remember, just because you make a plan for organisational change and communicate it with your team doesn't mean you shouldn't be prepared for some resistance—it's human nature. Meet that resistance with empathy, and give your team time to fully grasp what you're asking of them.



## Chapter 4: 6 Ways to Help Your Employees Through Uncertain Times

During the beginning of the global pandemic, we all experienced a lot of uncertainty. Now we're still experiencing uncertainty—but this time over what this transition to a post-pandemic world means for people's work lives and careers.

Throughout this and other organisational upheavals, employers need to address feelings of anxiety and uncertainty in their teams and support their employees if they want to:

- Remain competitive,
- Keep their people engaged, and
- <u>Keep their people—period</u>.

So how can you and your organisation accomplish this? Here are some suggestions.

## 1. Approach change with empathy

Expect a whole range of emotional responses to change: anxiety, excitement, fear, frustration, and more. To each and every one, respond with empathy. By making empathy and understanding core tenets of how you interact with your team members during this time (and always, really), you'll be able to create an environment of trust and openness. It's important to remember that those most impacted will need more support, so be prepared to provide it.

## 2. Engage staff in planning for the changes ahead.

By engaging staff during the planning phase of any organisational change you're considering to implement—especially changes that will affect them—they'll feel like an integral part of the company's evolution. Your team members also have intimate knowledge of your systems and processes, and therefore will most likely have incredibly valuable suggestions to make. So encourage feedback and the sharing of ideas early on in the change process, establishing clear points where staff discussion and input should be integrated.

## 3. Break down the transition into more manageable stages.

Break down any post-pandemic transitions your organisation plans to undertake into well-defined stages with well-defined tasks. This won't only make the transition more manageable, but using smaller initiatives will be easier to follow and understand, allowing your people to adjust slowly and systematically while building their own confidence and sense of security.

## 4. Choose a diverse team to head projects.

When it comes to selecting a team to head projects, in addition to considering racial and gender diversity, also keep diversity in seniority and areas of specialisation in your business in mind. A team of people across various roles, at different levels, with different knowledge of and skill sets pertaining to your business will provide you with insight into how changes will affect your organisation at every level.



#### 5. Be transparent!

As we'll discuss more in depth in the next chapter, being transparent about the changes that are happening internally, why they're happening, and the actual implications of such changes has a host of benefits. Transparency in general makes employees feel valued, increases engagement, allows them to freely communicate, encourages creativity, and creates a stronger company culture. When it comes to transparency around change, it also encourages adoption, eases anxieties, and mitigates resistance.

#### 6. Use this as an opportunity to build a culture of continuous improvement.

Capitalise on this experience to demonstrate the culture of continuous improvement you intend to foster at your organisation. Such a culture will mean your team members will be less afraid of and resistant to changes big or small while being equipped with the skills to be more agile and open to different ways of working.



Preparing for organisational changes can cause anxiety and concern for your employees, which is why it's best to address them early on and with a meaningful and sustainable action plan—like implementing a mentoring program. Not only can mentorship open your people up to new ideas, perspectives, and ways of thinking, it can also serve as a catalyst for cross-functional discussions.

## Chapter 5: What We Can Learn from the Post-COVID Great Resignation

The Great Resignation is affecting us all. As more and more workers call it quits, employers are being forced to reconcile with their retention problem. And this problem is global.

According to HR software company Personio, 38% of workers surveyed in the UK and Ireland in March 2021 plan to quit in the next six months to a year. Similarly, the US Department of Labor reported that four million people quit their jobs in April 2021—the biggest spike on record. Globally, Microsoft's survey of more than 30,000 global workers showed that 41% were considering quitting or changing professions this year.

What is precipitating this huge shift? Many factors are contributing to The Great Resignation, including:

- → Lack of benefits (or other forms of employer mistreatment)
- → Change in priorities (becoming a stay-at-home parent, pursuing a dream job, etc.)
- → Realisation that work can be done remotely (and therefore employees can live wherever they like, have a more flexible work schedule, etc.)

If your organisation has been a casualty of this, what can you do now to recover? Let's take a look at some areas in which employers can improve in order to keep employees happy and increase retention.

## How to Keep Your (Remote) Workforce Happy

## Rethink your compensation and benefits

Considering the major global workplace shift we've experienced over the past year, it's important to ask yourself whether your company's compensation and benefits package continues to meet shifting needs.

For example, instead of providing employees with stipends for public transportation or petrol, consider instead offering a monthly allowance for a coworking space or at-home work setup. Want to help employees continue to adjust to the new way of work? You can go above and beyond by offering stipends for mental health and other wellness apps and services, like Headspace, Calm, or Talkspace.

#### Maintain transparency

Transparency with your workforce is always a good idea, but becomes even more important during times characterised by VUCA—like the one we're currently in. Like we mentioned in the last chapter, keep employees abreast of what's happening with your company, especially if there's a possibility it will affect them.

Transparency isn't just the right thing to do, it offers a host of amazing benefits too. Glassdoor found that organisations that are more transparent with their employees tend to:

- → Help employees feel valued
- → Have increased employee engagement
- → Foster an environment that allows employees to freely communicate
- → Encourage creativity
- → Have a stronger company culture



## How to Keep Your (Remote) Workforce Happy

#### Focus on career progression

Focusing on career progression isn't just important for existing employees, but can help attract new talent as well. After all, as market insight firm Clutch reports, "Nearly one in five job seekers want more professional development opportunities."

According to Forbes, they also want reassurance that they'll be able to "learn new skills and get their career back on track after a tumultuous year. Many feel that their careers have stalled, and they're worried about the impact this will have in the longer term." In fact, **during the height of the pandemic, one survey found that people were more concerned about their careers than their health**. Younger workers aged 16 to 24 were particularly concerned that working from

home has meant missing out on "vital on-the-job training at a critical time in their professional development."

#### Implement a mentoring program

In order to prioritise career progression, one great initiative you can undertake at your organisation is a mentoring program. Mentoring can help your business recover from The Great Resignation by not only being a great draw for applicants—as candidates look to make up lost ground by way of in-house training and career development opportunities—but also by helping you retain the talent you already have.

That's because it's been found that:

- → 91% of workers who have a mentor are satisfied with their jobs.
- → Mentored employees tend to feel more positively about their organisations as a whole.
- → Mentored employees are far less likely to quit their jobs, with a 72% retention rate for mentees.





At the end of the day, recovering from The Great Resignation will require getting serious about providing what job seekers want. If you don't, your competitors will.

## Conclusion: Why Mentoring Should Be A Part of Your Learning and Development Program



Given the fact that the type of uncertainty and change unleashed by COVID-19 doesn't only happen to organisations during a global pandemic, how will you continue to support your people through uncertain times? How can you ensure your people continue to feel supported, productive, and collaborative during company downsizing, economic recession, or mergers and acquisitions?

While spending part of your learning and development (L&D) budget on formalised training programs is a great idea, there's a way you can be smart about using the talent you already have on your team. In other words, don't let all of your L&D budget be spent on external resources; leverage the experience you already have, in-house.

### Mentoring for L&D

Whereas training programs can be great for learning hard skills, a mentor can help guide self-driven learning and teach the skills that are not so easily acquired: **soft skills**. From negotiation and public speaking to organisation and management chops, your experienced team members may be the best people to impart these to other employees.

In order to leverage these people who are already a part of your company, your organisation can implement a mentoring program cost-effectively for a *fraction* of your L&D budget.

In most cases, the cost of a mentoring program using the Mentorloop platform is a slither of most organisations' professional development allocations (3-4%), opening the door for a huge reward and return on investment.



### Why Mentoring?

According to the Chartered Institute of Personnel and Development's Learning and Development Survey, coaching and/or mentoring is seen as one of the most effective approaches, as are 'in house development programmes' which usually include a large coaching element. The survey found the following situations could use coaching/mentoring as a suitable development tool:

- → Dealing with the impact of change on an individual's role
- Supporting an individual's potential and providing career support
- → Helping competent technical experts develop better interpersonal skills
- → Developing a more strategic perspective after a promotion to a more senior role
- → Handling conflict situations so that they are resolved effectively

However, it's important to note that coaching/mentoring isn't suitable for *everyone*. If an individual lacks self-insight or is resistant to mentoring, for example, it may not be the appropriate intervention. Therefore, it's important that organisations assess individuals' readiness for involvement in a mentoring program before they become active participants. Mentees must not only be ready and willing to be mentored, but they must also be motivated to achieve the desired outcome.

#### The Benefits

Mentees may go on to meet with their mentor and uncover a skill they want to work on, a conference they should go to, or an introduction to a client they might bring on board. This could mean more developed in-house talent, more exposure for the company, and even new business.

**Ultimately, the costs of a formal mentoring program are far outweighed by the rewards.** And with Mentorloop's competitive pricing, this means that any team leader can roll out mentoring to more people, for a much lower price, making a program more scalable and accessible for people at different levels of the organisation.

For comparison, a Mentoring Program with Mentorloop is **680 times** cheaper than executive coaching and **373 times cheaper than an** in-person training session.

L&D Solution	Average cost per person*
Exec coaching session	\$4,760
In-person training session	\$2,613
Online leadership course	\$1,085
Online learning subscription (per month)	\$23
Mentorloop (per month)	\$7

#### Table 1 - The average cost per person of different L&D products

\*all costs calculated from averaging ≥4 suppliers

With the average learning and development allowance for an individual employee sitting around \$1200, why invest in a one-off experience when you could provide them with multiple life-changing connections for the cost of a coffee?

# How Far Will Your Learning and Development Budget Stretch?





Maximise your learning and development budget by leveraging the talent that lies within your organisation.



Encourage people to share knowledge and experience with one another for a powerful, engaged workforce.



Tackle times of uncertainty and upheaval by creating a sense of belonging and community.



Build a culture of mentoring at your organisation, with Mentorloop.

Book your Mentorloop Software Demo to learn how the Mentorloop platform can help you run your best mentoring program yet:

#### **Speak to Sales**

#### **Contact Us:**

info@mentorloop.com mentorloop.com