SURVIVING A PANDEMIC

FACTORS THAT HELPED AND HINDERED NEW ZEALAND-BASED ORGANISATIONS

row

revolutionaries of wellbeing

**Prepared for: The Business Leaders'
Health and Safety Forum**

contents

executive summary

"He aha te mea nui o te ao. He tāngata, he tāngata, he tāngata"

What is the most important thing in the world? It is people, it is people, it is people.

Overview

2020 will go down as one of the most difficult years of modern human history because of the enormous global crisis caused by the COVID-19 global pandemic.

This coronavirus has caused a global health and economic impact that has not been seen for more than 100 years. New Zealand has missed much of the health impact, but the economic impact is severe and ongoing, particularly for industries such as hospitality and tourism.

While this pandemic is a huge challenge in 2020, it probably is not the last or biggest such issue that New Zealand will face.

The Business Leaders' Health and Safety Forum is a coalition of business and government leaders committed to improving the performance of workplace health and safety in New Zealand.

In its role in enhancing business excellence, Business Leaders' Health and Safety Forum on commissioned corporate wellbeing consultancy Revolutionaries of Wellbeing (ROW) to better understand, from a CEO perspective, what factors helped and hindered organisational responses to a pandemic, and what lessons can be learned so that these can be translated into action to aid future responses.

This challenge is an opportunity to look at ways to help organisations prepare for the next event – be it another pandemic, war, or other extreme event. It also gives an opportunity to look back and assess the lessons learned from the experience.

The research carried out by ROW during July to October 2020 was three-fold:

- A survey was sent to both Business Leaders' Health and Safety Forum members and to members of the Institute of Directors. In total, 298 people responded to the survey. [1]

- This was followed up by structured interviews with nine chief executives, and four structured focus groups, which explored the themes of the survey in more depth.

- There was also a focused review of pandemic planning with 11 general managers with responsibility for health and safety in their organisations.

This research covers a range of organisations, in size, locations, and preparedness. All the organisations involved have continued to operate despite the difficult conditions.

> *We put in place crisis structures early and that put us in control.*
> – CEO, energy and utilities sector

A review of the research shows there are clear lessons to be learned and to act on. At the centre is one message: it is about people, people, people.

---

[1] See Appendix 1 for an overview of participant demographics.

Key insights

While 2020 will no doubt be remembered for the arrival of the catastrophic pandemic by most CEOs, it will also be remembered for how people responded – rising to the challenge.

The most surprising thing in the research is the confidence held by participant CEOs. Around 70 per cent were confident in their organisation's ability to handle the pandemic crisis, and the same number were confident that they had the resources to do so.

This is surprising because at the time, as the first wave of the pandemic was spreading, economists and other commentators were predicting a huge crash in the economy, with massive job losses and company closures.

It is also surprising because participant CEOs believed that COVID-19 posed a 71 out of 100 risk (where 0 was no risk and 100 was a significant risk) to their organisation.

While CEO confidence may be partially explained by external factors such as the New Zealand Government's determined response to the pandemic and internal factors such as previous crisis management experience, at its heart – the greatest confidence appears to have come from having trusting relationships with others.

To that end, a review of the key factors that helped and hindered CEOs and their organisations shows there are clear lessons:

1. Good communication is critical

Relationships and the tools to build and maintain those relationships are critical for CEOs, particularly in crisis situations such as pandemics.

CEOs were unanimous about the need for robust communications in a time of crisis - CEOs needed to be visible, providing strong leadership, giving direction, and reassuring staff. This came up time and time again - "communicate till it hurts".

83 per cent of all participants cited communications with staff as a critical factor that enabled them to respond to the crisis. Another 72 per cent cited communications with customers as a critical factor.

> *[The one thing I want to hold on to is] The far more personal connections I made with people at all levels of my organisation that wouldn't have happened but for lockdown.*
> *– CEO, science and technology sector*

The communications needed to be in all directions - internal to staff, upwards to the board, and external to suppliers, stakeholders, customers, and the wider community.

Conversely, external communication from sources such as the New Zealand Government and unions was reported to be one of the factors that hindered organisations most. This finding was consistent across CEOs, general managers, health and safety managers and directors. Participants found external communication from these sources was often vague, confusing, or inconsistent.

This resulted in CEOs and their teams having to make decisions amidst great uncertainty.

Certainly, developing robust relationships with reliable, flexible methods of communications internally and externally is critical for CEOs – in times of crisis, and not.

2. Put people first

CEOs reported that the crisis and its aftermath reiterated the importance of recognising the human nature of the people in organisations.

In fact, culture and leadership were consistent themes across the factors that helped and hindered organisations.

CEOs and their teams needed to have good relationships in place before the crisis, including those relationships with staff. There is no time to build trust in a crisis. CEOs found the trusted relationships they had going into the crisis were the ones that helped get cut-through where and when it mattered most.

Those CEOs who had good teams in place alongside a strong organisational culture reported more confidently about their organisation's ability to cope with a crisis such as a pandemic.

Strong cultures were characterised by trust, empowerment, and empathetic and decisive leadership. Conversely, organisations with disjointed leadership teams or slow-to-act CEOs or boards struggled to respond.

It is perhaps not surprising that 80 per cent of CEOs prioritised staff health and safety as the pandemic took hold. Lockdown also made many CEOs more aware of the stresses placed on them and on the others in their organisations.

While concern for staff wellbeing was mentioned by participants in all roles, it was CEOs who appeared to notice the impact on their own wellbeing the most. It was a sharp reminder that they could not shoulder the responsibility alone and that it would be unsustainable to operate in crisis mode for long periods of time.

After the immediate lockdown crisis, many CEOs found they were having more staff management issues as the adrenalin wore off and the stress and fatigue set in.

Despite the challenges of keeping connected with staff and ensuring their health and safety, overwhelmingly CEOs said they could rely on their staff to do the right thing for their organisations and were comfortable about delegating and allowing teams to act more autonomously during the crisis.

Clearly, investing in a people-first culture with strong, supportive leadership is a key takeaway for CEOs.

3. Plan and be prepared

Across participants, planning and preparation were consistently raised as factors that helped and hindered organisations. Two planning types were mentioned – emergency or contingency planning, and strategic planning.

While many organisations had business contingency plans in place – 68 per cent of participants reported that risk management planning helped them to respond to the crisis – not all did and not all plans were applicable to a pandemic.

Many organisations had to develop responses "on the run". Often this diverted attention from strategic planning, which CEOs reported would have a long-term impact on their business.

Organisations with previous crisis experience, such as those in Canterbury, found their planning for emergencies and their training for such events meant that they were as prepared as possible for the COVID-19 pandemic and could respond quickly.

While plans cannot always anticipate the reality of a crisis, thoughtful planning enabled organisations to practice responses so there was an understanding of roles and requirements during the actual event.

Planning also enabled organisations to build financial headroom into their operations so when the pandemic hit,

they had the resources to weather the storm.

Robust planning and preparation gave organisations the luxury of time and the resources to flex to demands of the crisis. It helped CEOs and those in other leadership roles to manage business operations and respond to customer supply and demand requirements as needed, which in turn provided organisational certainty.

In short, planning pays off.

Looking ahead

The COVID-19 global pandemic crisis is still ongoing, and the future national and international situation remains unclear and reliant on vaccine efficacy and adoption.

Within this uncertainty, CEOs will be planning and preparing for what may come next.

The survey of CEOs has shown that it is time to recognise good business is about more than just the numbers and economic units. It is about people and relationships and all the associated emotional messiness that goes with that.

The whakatauki at the start of this report is almost a cliche now, but in its original use, the people it refers to are three groups - those that came before (our ancestors), those that live now, and those that are to come (our descendants).

In a similar way, the post-COVID-19 workplace needs to think about people in a holistic sense, not just as the people at work. The emotions of the people at home and the wider community's fears affect the people at work and affect their performance. To thrive, people need strong leadership, capability development and support.

The COVID-19 pandemic and the issues that CEOs and others in their organisations

are now dealing with has brought this into sharp relief. Many CEOs reported that while staff and others coped with the immediate crisis itself, the resumption of "business as usual" may well call time for a total re-think – as people try to adjust to what is being described as "the new normal".

There is no doubt that emotional wellbeing and mental health will be significant areas to focus on in the next phase as organisations and the country as a whole grapples with life in the COVID-19 era.

CEOs also reported their focus will be on ensuring their businesses are back on track with strategic plans and with financial targets.

Despite the uncertainty, the seriousness of the pandemic, and the challenges ahead, most New Zealand CEOs and senior leaders are confident about the future and their organisations' ability to cope and respond.

> *There has been a lot to learn from this pandemic and there is a lot to lose through returning to the old normal without banking any of the lessons learned e.g. new ways of working, which may in fact be healthier, more productive, less costly than the ways of the past. Some consider that the old ways are necessary because of trust, however, is this not a matter of re-design. We can benefit from the things we have learned with new types of controls in place.*
> *– Health and safety manager, agriculture, horticulture and forestry sector.*

sense-making

The tree analogy

Beyond the core theme of "people", there were many central themes repeated across the research, including the importance of culture, leadership, communications, wellbeing, financial management, and strategic planning. These are not discrete factors – all are linked.

One way of thinking about the findings of this research, and making sense of these, is through the analogy of a tree – in three parts: the roots, the trunk and branches, and the leaves (see Illustration 1). CEOs may like to consider how the tree could apply to their own organisation.

The tree roots

The roots of a "business tree" represent the necessary, foundational features of an organisation. Participants overwhelming

reported that these features needed to be in place before the crisis. The importance of these features was stated repeatedly by CEOs as critical to the success of organisations, their response and their ability to adapt to the challenge at hand.

The essential root features are:

- *Leadership and organisation culture* – ideally the culture is focused on a high trust environment with collegial leadership that leads to empowerment amongst staff.

- *Relationships* – being that the organisation has robust connections inside and outside of the organisation, across all levels.

- *Strategic and risk planning* – where "a plan gives you something to change". Adequate prior planning enabled organisations to have financial headroom and resources

Illustration 1. Sensemaking using a tree analogy

WEATHERING THE STORM

TREE LEAVES [RESPONSE]

- People and plant
- Processes and systems
- Supply and delivery

TREE TRUNK/BRANCHES [CAPABILITY]

- Communication
- Agility
- Financial

TREE ROOTS [FOUNDATION]

- Leadership and culture
- Relationships
- Strategic and risk planning

EXTERNAL ENVIRONMENT
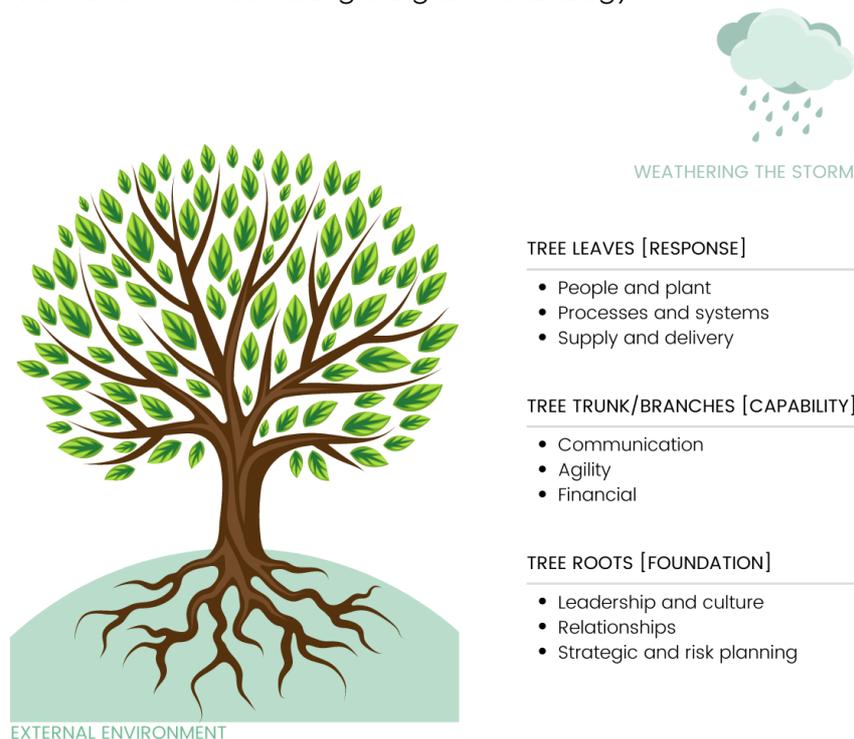
available to support the crisis response, and to stay focused on longer term strategic objectives.

The tree roots provide a critical support system for the tree, and the tree cannot thrive without these factors in place.

The tree trunk and branches

In this analogy, the trunk of the tree is the channels to support the organisation – in times of crisis and during business-as-usual.

The tree trunk is characterised by:

- *Communication* – having channels for communication that can be quickly up and downgraded as necessary, along with the capability and capacity to tailor messages as required.

- *Agility* – nearly all participants described agility as a key organisational capability. Agility is the organisation's ability to quickly pivot or innovate in response to events.

- *Financial* - having financial capacity gave organisations space, options, and time to make decisions. Without cash reserves, organisations were vulnerable to "knee-jerk" or short-term decision-making to alleviate issues.

The tree trunk and branches provide capability, enabling the trees to withstand the weather.

The tree leaves

Leaves are the primary way that plants interact with the environment. They are fundamental to a tree's growth, providing nutrients and air. In this analogy, the tree's leaves are the critical resources that respond to the crisis, being:

- *People and plant* – people being the workforce, and plant being the enabler to ensure work is completed

(e.g. laptops, machinery etc.). Having a flexible workforce and adaptable plant enabled organisations to respond quickly to the crisis.

- *Processes and systems* – the methods used to get things 'get done'. During a crisis this included health and safety systems, ways of working and processes for delivering products and services. Many participants describe these as areas that required work for future crises.

- *Supply and delivery of products and services* – being what the organisation produces to serve its customers. Crises can immediately change demand and organisations need to be ready to meet the increase – or the decrease – as and when these arise. One learning from the research was the importance of ensuring diverse revenue streams to counter supply and demand issues.

Ensuring the tree's survival

When an organisation invests in its foundation, it enables it to respond and adapt to the changing environment. However, it does not need a crisis to act - the tree's three parts should be developed and nurtured as a fundamental part of growing the organisation.

Taking the analogy further, there is another level of the "business tree" for CEOs to consider - the soil in which the tree is growing. Despite best efforts to grow plants, if the soil is depleted, then it is near impossible for the plant to thrive.

This can be seen with the tourism sector. No matter how much energy had been spent on developing the tree, when the storm came through, the market (soil) fell away and the tree fell over.

It is possible to respond to storms, and the more work that has been done before to

strength the fundamental foundations of the organisation, the "tree" will be able to weather the storm, re-build, and prosper.

It is important for CEOs to remember that storms do happen, even if rarely. As one CEO said high-impact low-probability events are low probability, not no probability. "They will happen - maybe not when you're in charge if you're lucky." Another CEO predicted other high-risk low-probability events in the future, such as a worse pandemic with more severe features, or war.

Whatever the future holds, organisations would be well-placed to consider investing in all areas of the tree now to be ready for future events to come.

Understanding the ecology of the wider environment that an organisation operates within can help that organisation

be supported better through a crisis and to achieve better outcomes - for the organisation, for staff, and for the wider community.

People respond really well to an inclusive leadership style. Personal honest communications are very powerful…. We have been actively driving a culture change, COVID-19 has ironically helped us move to where we want to go faster.
– General manager, transport, warehousing and logistics sector

lessons and recommendations

From the research, the key lessons and recommendations include:

For business (CEOs, general managers, and health and safety managers):

Ongoing

* Invest in organisational culture and in leadership development.

* Prioritise health, safety and wellbeing for staff - and for self (not just in a time of crisis).

* Develop good networks with suppliers, customers, and government officials.

* Put organisation resources into communications and engagement both internally and externally.

* Ensure the organisation has adequate cash reserves for a "rainy day" and secure multiple, diverse revenue sources.

* Stay aware of the environment and act early – even on weak signals.

* Plan and practice emergency events responses and continually learn and adapt as needed.

* Develop organisational agility and capability – including skills such as digital literacy and remote working capability. Ensure the business is set up for remote working as much as possible – including having resources such as laptops and capabilities such as digital literacy.

Crisis-specific

* Ensure leadership is split across the crisis response and business-as-usual or long-term strategic planning.

* Communicate, communicate, communicate.

* Review physical work spaces and team structures to accommodate new ways of working.

* Review response to staff needs (including staff surveys) and adapt as needed.

* Conduct a review of full formal review of the organisation's response before and during the crisis. Review the Crisis Management Team (or similar) structure and performance. Include policy/process reviews in the review.

For boards:

* Use board members to help with and provide oversight to ensure the organisation is well-linked into relationships and has built good, trusted links before any crisis.

* Take part in organisations' practicing of emergency event responses to ensure roles are clear and familiar.

For government:

* Ministers and ministries need to have a good grounding of the sectors they are working in with trusted relationships before crisis events occur.

* Develop and promote emotional wellbeing and mental health measures to reach into the workplace as well as the wider community, reflecting the greater need post-COVID.

* Revise and update the national pandemic plan, and also hold a nation-wide simulation to have cross-agency agreement on how to deal with events in the future.

SECTION 1: CEOs' perspective

The early days: becoming aware

In late 2019, prior to COVID-19, the most common challenges that surveyed organisations faced (retrospectively) included business strategy and planning, health, safety and wellbeing, workforce management, and organisation culture and leadership (see Figure 1).

By role, 67 per cent of CEOs were focused on business strategy and planning.

When CEOs look ahead to potential future events, it is natural to spend more time and effort on the events that are considered most likely. Few people were expecting a global pandemic.

**Figure 1.
Business challenges prior to COVID-19**
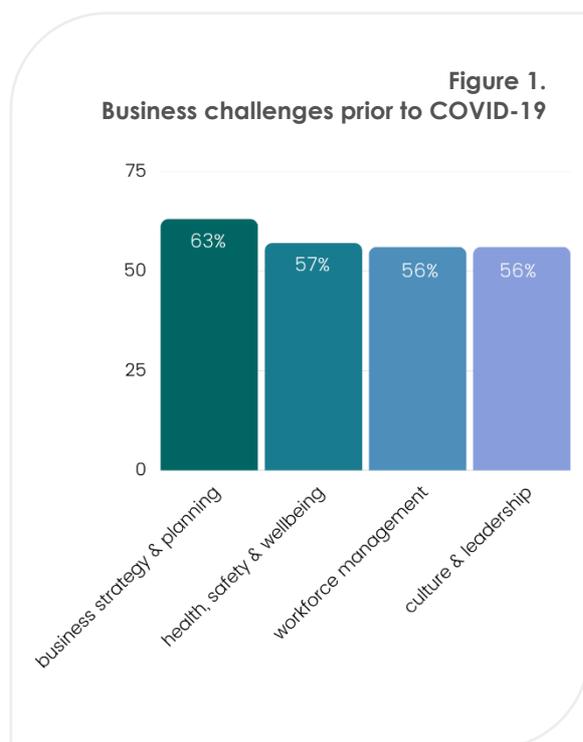
Things changed quickly in December 2019 when the Chinese authorities first advised the World Health Organisation (WHO) of cases of pneumonia of unknown cause,

originating in Wuhan, China (see timeline in Appendix 2). By 13 January 2020, the first confirmed case outside China was identified, in Thailand and on 30 January 2020, WHO declared the epidemic a global health emergency.[2]

Participant CEOs largely fell into two groups: those who had early awareness of the pandemic - perhaps they had already been involved in early crises or had an interest in what was happening in China because family lived there or their organisation had significant interaction with China - and those who became aware as business returned after the traditional Kiwi summer break.

By the end of January 2020, 76 per cent of all participants were aware of COVID-19 (see Figure 2). By role, health and safety managers (87 per cent) tended to be aware of COVID-19 earlier, by the end of January 2020, compared to general managers (76 per cent), CEOs (75 per cent), and directors (61 per cent).
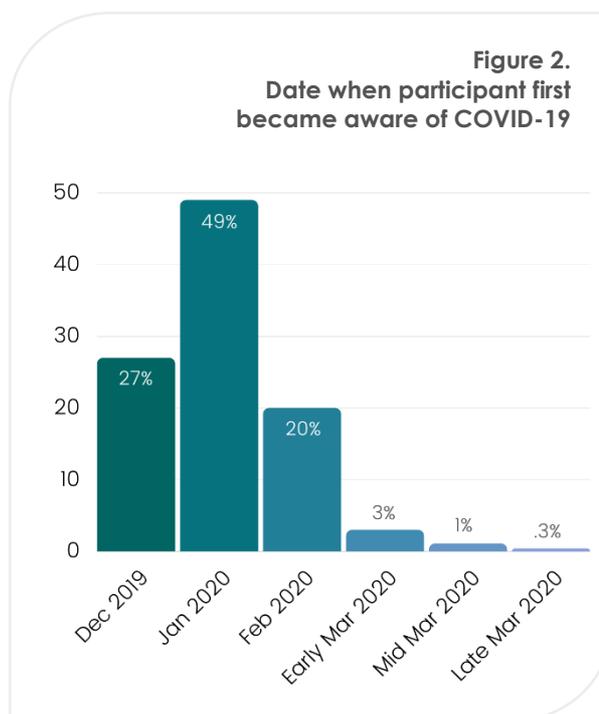
**Figure 2.
Date when participant first became aware of COVID-19**

[2] Timeline - coronavirus - COVID-19. (2020). *New Zealand Doctor.*
https://www.nzdoctor.co.nz/timeline-coronavirus

Figure 3.
First areas of focus in response to the COVID-19 crisis

The initial response to the crisis

By March, the virus had spread throughout the world. Most countries had closed their borders and imposed lockdowns of their populations, along with social distancing rules. Economic activity plunged across the global economy.

Across the research, participants reported overwhelming that their organisation's first area of focus was health, safety and wellbeing, followed by crisis management, and customer service and product/service delivery (see Figure 3).

In terms of crisis management, most organisations had a business continuity plan but many needed rapid review for COVID-19 as they were not fit for purpose. This is discussed in more detail in the health and safety perspective section.

The first case of the disease in New Zealand was reported on 28 February 2020.

From 19 March 2020, all borders and entry ports of New Zealand were closed to all non-residents and significant Alert Level measures were introduced to stop the spread of the virus. As Alert Levels increased, so too did the restrictive measures on businesses.
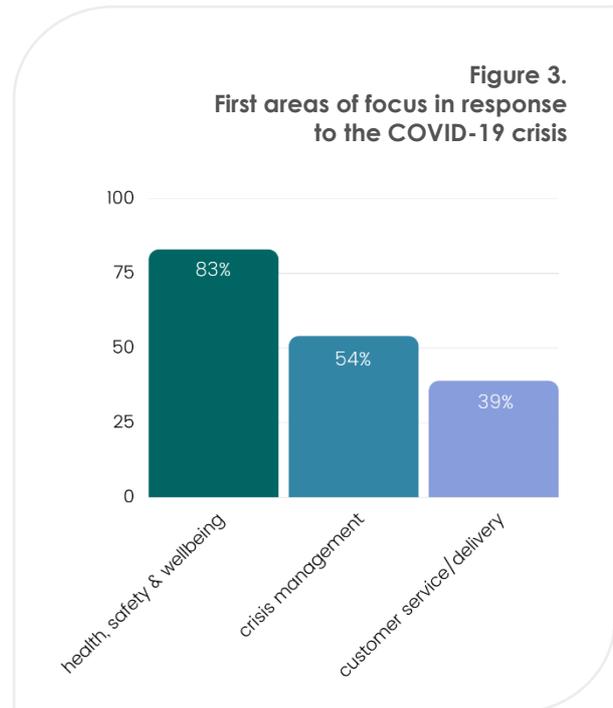
Almost immediately, organisations had to adapt to allow for staff to work from home, despite consequent technology and family pressures.

A small number of staff in what are deemed "essential services" had their operating methods significantly changed to cope with physical distancing requirements to reduce the possibility of spreading the pandemic.

This new way of life was hugely stressful, and it remains so when Alert Levels increase.

Lockdown followed, characterized by a 48-hour period at Alert Level 3, followed by five weeks at Alert Level 4, and two weeks at Alert Level 3.

During that time, participants across roles reported that their organisation responded to the unfolding crisis by communicating more regularly with employees and clients/customers and adopting new health and safety procedures. Work life also changed dramatically as organisations halted business travel, implemented remote working for all employees, and cancelled major events (see Figure 4).

Figure 4.
Top five organisational responses during Alert Levels 4 and 3
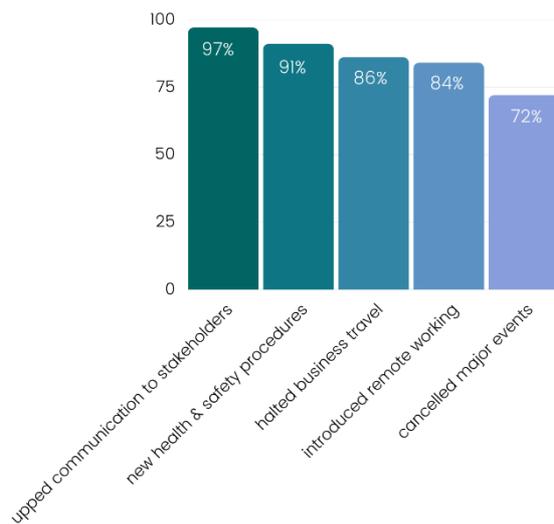
The consequences of COVID-19 are just not physical or economic, but also psychological. Interviewed CEOs described, in the early days, there were staff fears of being ill and needing hospitalisation, or of the financial impact of being made redundant or have pay cuts. There was also the impact of stress, fear, and for many, isolation and loneliness.[3]

> *People thought they were at risk coming to work, but it was interesting, after a few weeks being at home with partner and kids, we were having phone calls, "Can I come back to work?"*
> – CEO, energy and utilities sector

For businesses and other organisations, there was significant uncertainty throughout that time.

Some with high exposure to international markets and in particular sectors - such as forestry or aquaculture - felt the effects of the COVID-19 pandemic early as their operations were affected by the drop in demand from China.

These effects of reduced trade were felt more widely within New Zealand as other trading partners were affected heavily.

The Government released scenarios for New Zealand's future as estimated by The Treasury on 14 April based on assumptions of different amounts of time under the Alert Levels. Those initial Treasury scenarios all began with a deep contraction in activity in the present June quarter.[4]

Because of the uncertainty, three scenarios - mild, severe, and harsh - were mooted, with most economists making dire predictions. One CEO described trying to make predictions for events far more severe than what transpired.

As it turned out, the country quickly returned to Level 1 by 8 June 2020, with an accompanying boom in spending and travelling domestically, even despite the "blib" when Auckland had a brief lockdown for three weeks.

During the imposing of the national lockdown, CEOs were required to respond quickly to events, making decisions urgently with little information. Interviewed CEOs described how the pandemic lockdown was an event in which there was no guidebook or no set rules to follow.

---

[3] Sibley, C. G., Greaves, L. M., Satherley, N., Wilson, M. S., Overall, N. C., Lee, C. H. J., . . . Barlow, F. K. (2020). Effects of the COVID-19 pandemic and nationwide lockdown on trust, attitudes toward government, and well-being. *American Psychologist, 75*(5), 618-630. http://dx.doi.org/10.1037/amp0000662

[4] New Zealand Treasury (2020). Treasury Report T2020/973: Economic scenarios - 13 April 2020. https://www.treasury.govt.nz/publications/tr/treasury-report-t2020-973-economic-scenarios-13-april-2020

Surprisingly, despite the unprecedented nature of the pandemic, many participants in the research, particularly in focus groups, described confidently rising to meet the challenge.

69 percent of all participants were very confident or extremely confident that their organisation had the right resources to get through the COVID-19 pandemic (see Figure 5).

Across roles, CEOs (72 per cent) and health and safety managers (75 per cent) tended to be very or extremely confident that their organisation had the right resources, compared to general managers (64 per cent), and directors (58 per cent).

Just over 70 percent of the participants were very confident or extremely confident that their organisation had the right measures in place to get through the COVID-19 pandemic (see Figure 6).

Across roles, health and safety managers (77 per cent) tended to be very or extremely confident that their organisation had the right measures in place, compared to CEOs (69 per cent), general managers (68 per cent), and directors (68 per cent).

Figure 5.
Level of confidence that their organisation had the right resources

extremely confident: 21%
very confident: 48%
somewhat confident: 27%
not so confident: 4%

Figure 6.
Level of confidence that their organisation had the right measures in place

extremely confident: 15%
very confident: 56%
somewhat confident: 28%
not so confident: 2%
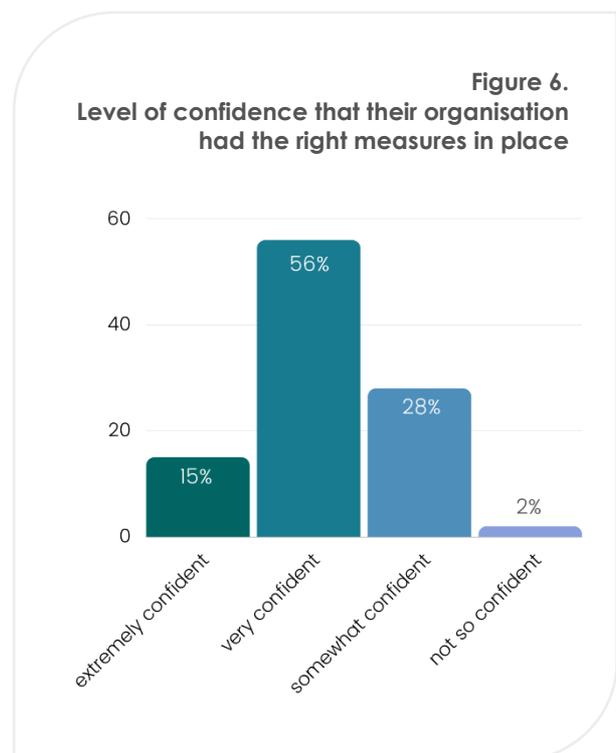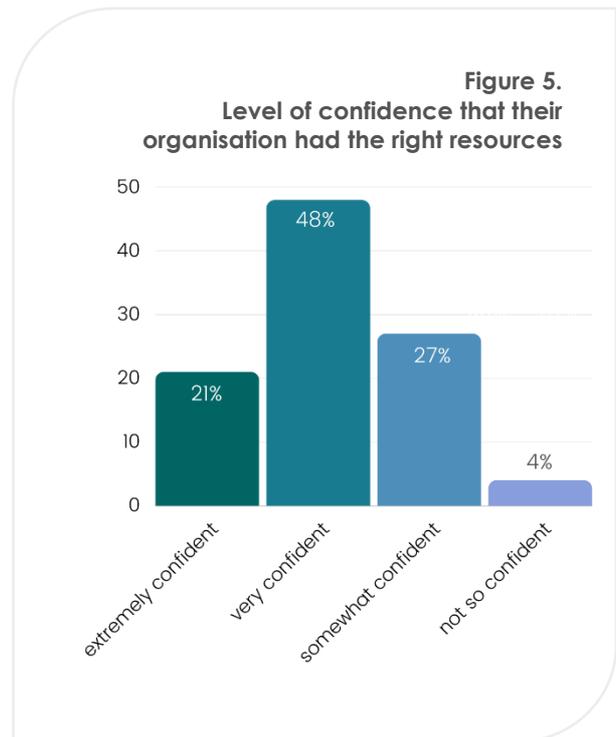
These confidence levels seem high, given the unprecedented nature of the pandemic crisis and the uncertainty about the future.

There are several possible reasons for this confidence:

- Most CEOs in the survey were confident in their organisations' processes and fundamental robustness.

- The actions taken by the Government since lockdown, particularly providing the wage subsidy and other measures to support businesses during the crisis.

- The Government has also communicated regularly and consistently throughout the pandemic.

- The frequent occurrence of crises such as severe earthquakes and volcanic eruptions, making CEOs feel more "familiar" with crisis.

- Some unique characteristics of the New Zealand national culture.

> *Kiwis don't accept "no" as an option. That's what I've come to realize. "No" is not an option. We just find ways to do things. I think that's wonderful from our perspective.*
> – Director, health care, medical and community services sector

New Zealand is considered a high trust country. According to the OECD, trust is important for the success of a wide range of public policies that depend on behavioural responses from the public. Trust is necessary to increase the confidence of investors and consumers.

Social capital is a clear strength in New Zealand, with high levels of trust and civic engagement and low perceptions of corruption.[5] This high trust in institutions clearly assisted in the population's

response to the Government-imposed COVID-19 restrictions.

This trust also filtered down to organisations - trust was considered a cornerstone of how organisations responded to the pandemic.

The full-scale response: what helped and hindered CEOs

To answer the central question of the research, it is helpful to consider the Business Leaders' Health and Safety Forum's fundamental capabilities model of *risk, relationships and resourcing.*[6]

The Forum describes the three factors as being:

- *Risk:* The state of an organisation's risk control.

- *Relationships:* The quality of an organisation's relationships with employees and contractors.

- *Resourcing:* The sufficiency of the resources applied to health and safety (people, plant and processes).

These three elements are critical to how organisations anticipate, mitigate and manage during "normal" periods, and through disruption. This framework is applied to help articulate the major themes of this research.

---

[5] OECD (2020). OECD Economic Surveys New Zealand http://www.oecd.org/economy/surveys/new-zealand-2019-OECD-economic-survey-overview.pdf

[6] Business Leaders' Health and Safety Forum. (2019). *Monitoring what matters.* https://www.zero-harm.org.nz/assets/docs/our-work/monitoring/Monitoring-What-Matters-May2019.pdf

FACTOR: RISK

Managing risk involves crisis planning and scenario planning, gaining buy-in at senior levels, having flexibility in operating models, and adapting to a risk-perception mindset. For a summary of this section, see Table 1.

Planning, testing and agility

The importance of crisis management planning was a consistent theme. While some organisations had plans in place, not all did. For more specific analysis of this, see the health and safety perspective section.

Organisations that had conducted earlier drills found these were extremely valuable, as that gave them a measure of familiarity with what might happen - helping staff and others such as board members feel more secure - and ensured a level of trust in staff ability to operate.

However, as the crisis deepened, the research showed that for those dealing with it, many of the drills or written plans did not cover the actual reality on the ground.

Plans failed when assumptions did not anticipate the full and catastrophic nature of the pandemic.

Listening to all the ANZ economists and everybody, they talked about unprecedented, which basically meant that you couldn't plan for the specific set of sequences you were getting. The key thing was about how as an organisation, how agile you were at the point where things were unfolding in front of you.
– Board chair, manufacturing sector

The contagious nature of the crisis was one such feature – interviewed CEOs described how people could not work alongside each other in specialist operational "bunkers", for example. Physical distancing was required. That required a decentralised response, rather than a centralised one.

The imposition of Alert Level 4 lockdown affected all of the business at the same time. Unlike other crises, such as the Christchurch earthquakes or regionalised flooding, the impact was national. So different parts of the business could not continue as usual and take over the role of affected areas as had occurred previously with other critical events. Interviewed CEOs also described receiving mixed messages from overseas colleagues on how to respond to the crisis, which complicated organisational responses.

The global nature of the COVID-19 pandemic also severely impacted global supply chains. Some equipment - such as laptops for remote working or specialist PPE - was not readily available or increased dramatically in cost. Space on freight ships or aircraft was also constrained. Supply chain constraints remain an ongoing issue.

PPE was a big problem, we had a lot of stuff ordered, but the government requisitioned that. We found ourselves a bit high and dry, so we had volunteers making masks, we had a little bit of a sewing bee going around…. [we were] getting on the phone trying to find suppliers of materials and elastic, getting it couriered around the country.
– CEO, energy and utilities sector

Given the significant disruption to supply chains, it was interesting to find supply chains were not amongst the top issues when it came to challenges during lockdown. Around one in four participants reported it was a challenge or that it hindered the organisation.

Table 1. Risk: Key factors that helped and hindered organisations' responses to the pandemic

Hindered	KEY FACTOR	Helped
Had a plan, but it did not fit a pandemic; plan was outdated; did not have a plan; plan assumed staff could be physically located on one site. Hard to forecasts demands and supply chain felt close to out of control.	*Crisis planning, scenario testing and plan-in-action*	Had a pandemic plan and had tested it; focused on agility and reviewed plans regularly during the crisis. Senior leaders were able to forward plan while the crisis team managed the organisational pandemic response.
Board and senior leaders were slow to understand threat; initial denial of threat and false sense of security (and were slow to respond).	*Buy-in*	Leaders anticipated risk early and rallied crisis teams; Leaders communicated with business. Leaders and staff saw the crisis as a challenge they could meet. Teams led the response were and empowered to deliver.
Operating model changed had to anticipate risks on the run.	*Operating model*	Had built/adjusted business to work more flexibly to respond to threats.

By role, it was health and safety managers (40 per cent) who found the supply chain to be one of the greatest challenges – no doubt linked to the availability of PPE.

Participants described how the speed and depth of the challenge meant very high workloads for many with no end in sight because of the ongoing uncertainty.

It was difficult to plan ahead. Unlike other risks where there is a major event and then recovery, the nature of a pandemic made it hard to plan and create contingencies. One business reported forecasting that Alert Level 4 would last upwards of four months.

Going fully into crisis mode stopped long term planning for some research

participants. It took three months to get back on track. Businesses became reactive rather than proactive and it was very hard to recover from and re-prioritise strategic work. Interviewed CEOs described how this would have a long-term impact on the business, and health and safety managers described how this delayed work on important business-as-usual activities such as maintenance.

When asked what they would do differently, one of the most common responses across participants related to business strategy and operations. Across roles, participants reflected that, had they had the chance to do something differently, they would have:

- Acted earlier on business-critical decisions.

- Adapted operating models earlier.

- Avoided "knee-jerk" reactions to adjusting products/services and to financial decisions.

- Had a better separation between emergency management and business recovery/long term strategy and created more headroom to be able to focus on business strategy.

Being an essential service was not a panacea. While it was a relief for many CEOs as it meant the financial impact was lessened, this came with headaches of its own, with added issues of managing potential and perceived disease spreading risks for their staff, responding to changing Ministry of Health requirements, and managing customer demand and supply.

It is important to note that not all organisations were hindered – around one in four organisations reflected they would not have done anything differently in their response to the pandemic, and a few commented that they felt their response was "well-executed".

Buy-in

While many leaders anticipated risk early and rallied crisis teams and communicated with their business, not all were as responsive.

Data showed that 4 per cent of CEOs were not first aware of COVID-19 until early-to-mid March. This was reflected as a hinderance as it was hard to plan and prepare.

One health and safety manager from the agriculture, horticulture and forestry sector shared their frustration with the lack of action by their CEO. Recalling that New Zealand entered Alert Level 3 first, for 48 hours, before entering Alert Level 4, the participant described, "Our CEO was "ambivalent" as respects [to] planning for COVID-19 (his views were not too dissimilar to those expressed by Donald Trump - if you want a reference point). This made planning during the time period leading up to the L3/4 lockdown extremely challenging. He would frustrate the progress we had achieved and would not extend support. He did not change until after he attended a luncheon with Jacinda Ardern a couple of days before L3 and I guess her very direct message at the point jolted him."

In some organisations, boards and senior leaders were reported to be slow to understand threat, initially denying the threat and having a false sense of security.

By role, directors tended to believe COVID-19 posed a lower-level risk to their organisation compared to general managers, CEOs and health and safety managers. The median response for directors was 52 out of 100, where 100 represented a significant risk. See Table 2 for a comparison across roles.

Table 2. Belief that COVID-19 was a risk to organisations

ROLE	MEDIAN RISK LEVEL /100*	ANSWER RANGE
General manager	80	0 – 100
CEO	71	5 – 100
Health and safety manager	70	1 – 100
Director	52	5 – 98

* Answers could range between 0 to 100, where 0 was no risk and 100 was a significant risk.

More CEOs (48 per cent), general managers (44 per cent) and health and safety managers (43 per cent) were extremely or very concerned about the impact of COVID-19 Alert Level 4 on their organisation, than directors (23 per cent) as well.

Research participants reported that leadership was crucial during the crisis. They needed to increase their visibility and step-up communications, teamwork, and decision-making.

How leaders responded to the crisis had huge impacts - not just on their own organisations, but potentially on the economic, social and health foundations of their wider communities. Dirani et al. (2020) cite this as "the time for authentic leaders to help systems and individuals

overcome limitations and fears and boost performance".[7]

Authentic leaders provide strong role models with purpose. They share their leadership with their team and communicate well with staff and other stakeholders. They need to ensure access to technology, prioritise wellbeing, maintain financial health, and promote organisational resilience - all findings borne out by this research with CEOs.

Strong, decisive, and empathetic leadership was a key theme across the research – and prior investment in leadership capability paid off.

Operating model

Flexibility and operating models that can be quickly adapted are seen as important for the future by participants across the board.

Managing business operations was one of the greatest work challenges of the lockdown period across all participants, and it was listed as one of the top lessons-learned areas.

Participants shared they had learned that it was critical to develop system flexibility and to have the right people, systems, and equipment in place to enable the work.

When it came to managing through a crisis, previous planning and regular drills to boost preparedness were cited by participants as important, but others cited the need to be flexible and to move quickly if those plans needed to change. In the lessons learned section of the survey, some participants described how in future they would adopt a flexible

[7] Dirani. K., Abadi, M., Alizadeh, A., Barhate B., Garza, R., Gunasekara, N., Ibrahim G., & Majzun, Z. (2020). Leadership competencies and the essential role of human resource development in times of crisis: a response to COVID-19 pandemic, Human Resource Development International, 23:4, 380-394,

https://www.tandfonline.com/doi/pdf/10.1080/13678868.2020.1780078?trueneedAccess=

framework model for decision making – rather than create a step-by-step pandemic (or other crisis) plan.

The research showed the prior experience, and learning from that experience, was invaluable. With that in mind, Christchurch-based companies are amazing models of resilience.

One senior leader was clear that preparation - for all eventualities - is important. The leader's company had been through several earthquakes, a terrorist attack in the city, and now a global pandemic. Ironically, the company had practiced a pandemic in its most recent disaster planning session late 2019.

"What we learnt…is low probability is not no probability. These things will happen.

"If you're really lucky they won't happen during the time you're in charge, but the reality is they might.

"And when they do you need to be, in my opinion, proactively prepared for how you will manage your business, the philosophy you'll take in managing your stakeholders because ultimately that will determine the welfare and the wellbeing and the outcomes for your staff."

A key approach many organisations took during the crisis period of the COVID-19 outbreak and lockdown was to focus solely on the urgent things of the crisis. Many CEOs said their organisation was now behind in its planning. Others found the fluidity of the situation difficult - not knowing for certain what was going to happen, particularly around future outbreaks and Alert Levels.

Interviewed CEOs said they were not always comfortable with the lack of control over the environment in which their organisation was operating. They reported others in their executive team and staff found this lack of control over events particularly hard to cope with as well.

However, as a whole, CEOs were confident about their own and their organisations' ability to cope with the pandemic. This could be because of how well New Zealand as a whole has dealt with this pandemic, or it could be because New Zealand organisations have dealt with a large number of different crisis events in the past 10 years and this has boosted preparedness and a "familiarity" with what is required to get through a crisis.

They were able to adapt – and survive.

CEOs reported that such approaches enabled their organisations to pivot quickly to meet challenges. It enabled them to respond quickly to events and, in some cases, to be ahead of the Government when decision-making.

FACTOR: RELATIONSHIPS

2020 can be described in many ways but one way of looking at it positively is as "the year of the relationship" within their teams.

This research shows that good communication and relationships can put CEOs and organisations on firmer ground - whether with customers, staff, board members, or suppliers.

It was a consistent theme across the research – perhaps one of the strongest of all.

For a summary of this section, see Table 3.

The relationship you have are currency - there is no time to build trust in a crisis. We found that trusted relationships we had going in were the ones that helped get cut through where it mattered. Put money in the bank before you need it.
– CEO, energy and utilities sector

Having a good team around the CEO meant all the weight of the work didn't fall on just a few. It enabled CEOs to play to people's strengths, knowledge, and character traits.

That collegial leadership leads to empowerment amongst staff - CEOs said that trusting their staff meant they would make good decisions and back the company when things went wrong.

Culture and connection

Participants were conscious (or became so as the pandemic impacts progressed) of the effects on their staff and their families, the wider community in which they lived, and the need to consider those effects and take them into account.

Many talked about the wellbeing of their people and the mental health impacts of the crisis - often these were not immediately apparent, or became apparent weeks later.

These concerns were also not just about the staff directly employed by the companies, but their contractors and suppliers, and also the extended families and friends of their staff and other stakeholders. All had effects on how organisations operated.

Workforce health, safety and wellbeing was the top challenge for organisations during lockdown (74 per cent). It was also one of the factors that helped organisations the most (84 per cent), along with communication to employees (83 per cent) and culture and leadership (83 per cent) (see Figure 7).

**Figure 7.
Most reported factors that helped organisations to respond**

84% workforce health, safety & wellbeing
83% communication to employees
83% culture & leadership
72% communication with customers
68% risk management planning
67% technology systems
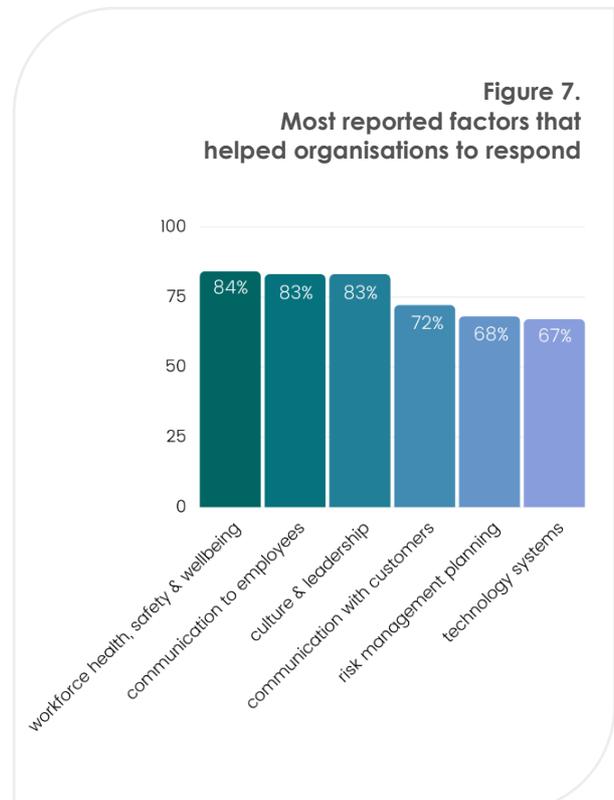
Table 3. Relationships: Key factors that helped and hindered organisations' responses to the pandemic

Hindered	KEY FACTOR	Helped
Staff waited for decisions to be made at the top. It was challenging managing wellbeing and emotional responses. People missed face-to-face; Zoom fatigue.	*Culture and connection*	Having a strong, trusting culture with high autonomy. Self awareness and team support was important, as was personalised communications. Organisations saw themselves as part of New Zealand society, strong community spirit; they had good supplier relationships.
Conflicting or no messaging from Government, unions, industry bodies and in-organisation.	*Messaging*	Clear Government communications. Visible leadership with clear messages.
Not having an existing relationship with Government.	*Government*	Having good relationship with Government.

We did learn people were different, and they had different experiences and different reactions to the environment. And therefore we thought our comms covered it well but we did learn some people just don't really give a damn about the CEO and his letter. Some people relate to the CEO video, some people did nothing but enjoy the lady from Tauranga who ran the pilates class online every lunchtime.
– CEO, construction sector

The effects of operating in a crisis, and the ongoing uncertainty and its impacts, highlighted to many CEO participants in this research that people were vital.

However, it was also important for them to learn that people were all different and what suited one would not necessarily work for others.

In the lessons learned, CEOs and other senior leaders reflected that organisations need to step up communication during times of crisis. Time and time again, the message was clear: "communicate until it hurts".

How organisations communicated differed – many relied on online technologies and other existing channels. However, others introduced concepts such as "care trees", reaching out to colleagues to ensure they were okay.

The most reported factors that hindered response to the COVID-19 crisis was external communication, such as those from Government agencies and departments and unions (43 per cent)(see Figure 8). This finding was consistent across CEOs, general managers, health and safety managers and directors.

Figure 8.
Most reported factors that hindered response to the COVID-19 crisis
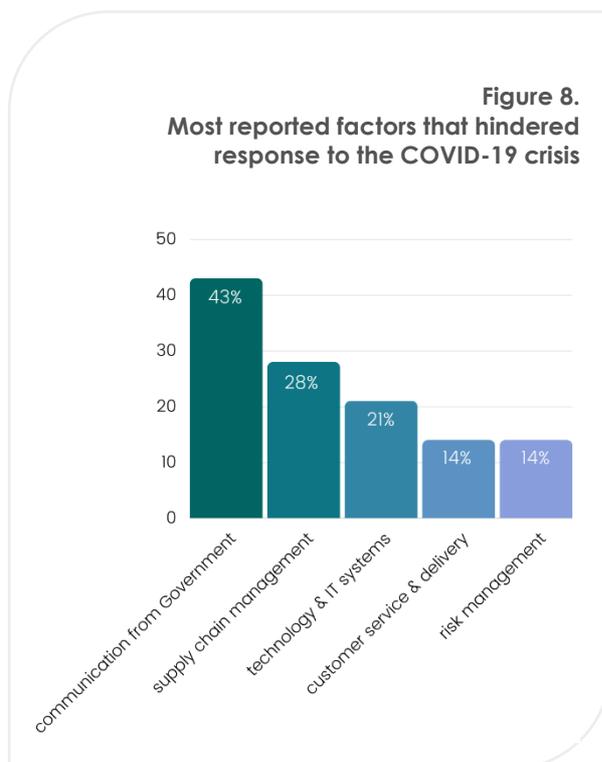
Some participants were critical of a disconnect between comments by Government ministers, particularly at the daily 1pm briefing, that were not matched by Government agency measures affecting business operations. One such confusion was around what was an "essential business" - some businesses opened, closed, and then re-opened again during lockdown. Others were unclear about the particular restrictions of Alert Level 3 and 2.

A little confusion and interpretation of what was required moving from level 4-3 to level 2, our priority was the safety of our staff from suddenly going from a restricted environment to open doors. Staff became quite worried.
– Health and safety manager, retail sector

This was where relationships in place before the crisis were vital.

Some interviewed CEOs reported they had several conversations with Government ministers during the crisis and this enabled them to better understand what was happening nationally as well as advocate for actions that would enable business operations to work better. Those without connections had to second-guess what may happen next.

Good relationships with suppliers were also critical. Examples of this included a construction company approached by an equipment supplier to say they owned the equipment outright and if the construction company needed to suspend lease payments, that would be all right. It wasn't needed but for companies on the edge of a financial cliff, this would have been a life-saver.

Being the CEO can be isolating, but this research demonstrates that CEOs who understood how their organisations fitted within the wider community - both upwards and downwards - enabled their organisations to cope better with the crisis.

At the heart of the response were two key elements: communication and people. Or, put another way – having good relationships.

FACTOR: RESOURCING

Resourcing involves people and their wellbeing, financial resources and systems, and financial capability.

For a summary of the resourcing section, see Table 4.

People resourcing and workload pressures

As described earlier, one of the challenges was that it became difficult to plan with crisis and the unpredictability.

This meant that it became difficult for some organisations to allocate resources, difficult to forecast, and hard to retain people where there was no demand.

While not a top lesson in terms of volume of comments, workforce management was raised an area with insights for CEOs and senior leaders.

Participants described how in future, they would consider ensuring workers have back-up support to ensure a role is always covered, and they would consider how groups are comprised. For example, one participant said they would not have a specialized group sitting together on one site going into the future.

Different workload pressures presented as a challenge as well.

One difficulty for manufacturers was maintaining the manufacturing facility through lockdown. Despite being an essential service and able to operate, many had staffing issues.

A CEO in the manufacturing sector described the problem, "We had a lot of older people, so a lot of our staff are 55 to 60+. When we actually did the register of health-related issues, we had 27 people with vulnerability issues. Out of [our] staff, 27 had to go into isolation because of asthma, diabetes, heart disease or old age. Instantly we took our workforce and took 25 people working from home, 27

people in vulnerable situations, so there's 50 people out of my staff which, as a manufacturing site, was really tricky."

Another CEO, in the retail sector, cited the huge increase in certain consumer goods as putting huge pressures on manufacturers and others to supply products.

"Companies for example, who do frozen foods and such like, they were seeing supermarkets taking three times their frozen peas in a single day, a month's frozen peas would go in three days because every man, woman and child were putting frozen peas in their freezer and of course we had to try and gear up to service that, knowing that there really wasn't three times the need for peas.

"This was going across the range. Every food maker we were dealing with was just expecting more, but at the same time we couldn't employ more people during that period because we couldn't infect, or potentially infect, our bubble. That was probably the hardest thing."

I did a debrief with some of my team afterwards. Some of them said they had to change their style, some of them became more autocratic, more partner style. When the enemy attacks you don't decide how you're going to respond, because those in the position have to make decisions. People stood up and excelled in this environment while others really struggled.
– CEO, energy and utilities sector

Table 4. Resourcing: Key factors that helped and hindered organisations' responses to the pandemic

Hindered	KEY FACTOR	Helped
Difficult to forecast for and hard to retain people where no demand, or increased demand. Workload pressures.	*People resources*	Committed to paying people which gave certainty. Prioritising work from home.
Mental health, fatigue, isolation and loneliness.	*Wellbeing*	People passionate about work and feeling valued.
IT not built for flexible working.	*Systems*	Having developed flexible IT systems and digital literacy.
Demand drop which impacted cash flows.	*Financial capability*	Having financial reserves.

People are the most important assets to manage.
– Health and safety manager, retail sector

Wellbeing - general

This is an important area of focus for organisations in the coming months and years. As noted earlier, health, safety and wellbeing was one of the top challenges for senior leaders and it was one of the factors that helped organisations survive. Even Christchurch-based companies which have been through repeated earthquakes, terrorist action, and now a global pandemic are finding the mental and emotional impact on staff and others to be significant.

Survey and interview participants reported a high level of stress from work and home (and combining the two!). One interviewed CEO commented how much they hated being at home, and in fact returned to the office and its structures early.

Many focus groups participants commented on their tiredness and fatigue with high workloads and lack of boundaries between work and home - particularly Zoom meeting fatigue. Spending long periods of time online in Zoom meetings was exhausting.

Others found constant calls for approval of decisions exhausting. One interviewed CEO commented that he could not bear to answer the phone by the end of the day because he was so tired of being constantly available.

> *Being truly remote is harder than just having the right technology.*
> *– CEO, professional services sector*

Those working in essential services had the added stress of others' perceptions - people saying to them "you're working - you must be unsafe" - and the fear of causing more risk to those at home by their interactions during the work day.

> *People were more affected than we thought. Our learning was that we need more senior leaders out there in the field to help frontline staff to ensure they were ok to operate. They were safe, but still subject to irrational thoughts and people saying "you're working. You must be unsafe". They were more risky at home.*
> *– CEO, energy and utilities sector*

There were some positives in the lockdown.

For some organisations, productivity was up as people found the best way to work for them and arrangements could be flexible. Some found it easier to balance work and life commitments during lockdown as the pandemic made it more acceptable to work differently.

Others found staff sickness levels dropped as lockdown restrictions and heightened awareness of hygiene protocols ensured less illnesses were passed around.

Many organisations instituted different ways to keep staff in contact with each other and engaged in the organisations. The survey and interview data showed this ranged from regular online morning teas

and online Pilates classes to health apps and mental health resources online.

A key thing was an understanding that people are all different and that they handle things differently - a one-size-fits-all approach doesn't work. Participants say that you need to be accepting that people will deal with it differently and provide tailored support as appropriate.

> *The second round has been, in some respects, more challenging than the first…because people now understand what it means to go through those Alert Levels and they're not as ready to face those challenges or have their rights and their abilities constrained as they were initially.*
> *– CEO, government (local) sector*

Participants reported that as the crisis developed, it wore people out and they found they couldn't keep going on as usual. For some, the problems developed after lockdown when operations had moved to Alert Level 1.

This was backed up by the comments from organisations' health and safety specialists during focused interviews, and shows it is an issue requiring ongoing attention as the pandemic continues.

Wellbeing - CEO

While concern for staff wellbeing was mentioned by participants in all roles, it was CEOs who appeared to notice the impact on their own wellbeing the most.

It was a sharp reminder that they could not shoulder the responsibility alone and that it would be unsustainable to operate in crisis mode for long periods of time. It also highlighted the need for them to

manage the same issues in themselves as were occurring among their staff. These included their high workload and responsibility – decision-making; their own mental health and stress levels; their own energy and the need to be visible, along with Zoom fatigue.

> *How do you build your own resilience and learn from experience?*
> *– CEO, government (central) sector*

Many of CEOs commented that they had to operate differently to their usual practice. For example, they needed to be more visible, both to their own staff and the wider community. For many, this was uncomfortable and not their normal style.

That higher public profile, and accompanying media and social media commentary, led to some criticism. That required them to monitor and manage their own responses tightly.

> *The most traumatic part of this whole process was having my wife here during lockdown, which was just a bloody nightmare.*
> *– Director, health care medical and community services sector*

Support systems were key - some interviewed senior leaders found talking with other CEOs or like-minded colleagues to be invaluable. Family and support from their executive assistants and their management team was also important.

Of course, not every leader had the same experience of lockdown. For example, one CEO found he "enjoyed" lockdown, being more flexible about time use and being able to walk his dog and spend more time at home with his wife. However, it was only after people returned to the office that he discovered his CFO had

hated lockdown, and felt isolated and lost without his main support of his church community as religious services were suspended.

> *As a chief executive I think you actually deal with a whole range, a really wide range of issues and you don't appreciate until you have meetings stacked on top of each other, that suddenly going out of one into another, you're thinking, okay, you don't have that 15 minutes or 20 minutes that you have to drive that gives you that time to realign and get into it.*
> *– CEO, construction sector*

Certainly, wellbeing – across all - is critical to the success of an organisation's response.

Systems

Most of the organisations involved in this research are mature businesses with well-established systems and clear places in the market.

Most had some form of plan for a crisis, even if not for the specifics of a pandemic, or for COVID-19. 68 per cent of participants reported that risk management planning helped them to respond to the crisis. That at least gave some preparation, or as one participant put it: "We had a plan to change".

Interviewed CEOs described how teams with high trust were able to move quickly to respond, bringing in new systems. For example, in several organisations, operations were split into two teams to ensure they were able to work without infection risk or to enable senior

management to handle the crisis while staff got on with maintaining the business.

CEOs reported their technology systems as both helps and hindrances, depending on how well prepared they were for an event that meant people had to be physically distanced to be able to work.

21 per cent of all participants reported that technology and IT was a factor that hindered the organisation while 67 per cent said it was a factor that helped.

Pandemics are a logistics issue. The big [businesses] were winning. Now they were wonderful at logistics. They did a fantastic job, they worked really hard. But actually the people that were losing, was the small business people. I found that was a bit out of balance.
– CEO, professional services sector

Reviewing the comments, it appears some organisations had IT systems that were not built for flexible working and people working from home for long periods. Others found it hard to get laptops and other equipment to staff in different locations at short notice.

Conversely, for other organisations, preparation helped them in this area as they had already developed flexible IT systems and had high levels of digital literacy amongst their staff.

While not a top-commented area, technology was raised as a focus area over the next six months by some participants as they seek to ready themselves for what may come.

Financial capability

As with other systems, the more the organisation had processes in place and

working well, the more space that gave the CEO to deal with the crisis at hand.

Having cash reserves was often described as the difference between having "space to breathe and make decisions" and going into panic mode and making "knee-jerk decisions".

I'm committed to having more financial headroom going forward, because that was our biggest threat. Luckily the bank came to the party, but some of our customers just, particularly large corporates who had the ability to pay us or not pay us and … on a one-liner they'd say, "All of last month's payments will be pushed out two months," and you'd go "Really?".
– CEO, manufacturing sector

Financial management was the single greatest business-related concern for participants at the time of the research, with around one in four concerned about the financial outlook of their organisation.

This was followed by "other" contributing factors such as market resilience, COVID-19 resurgence, and issues such as "ability of customers to continue to pay".

Participants across the research proposed using the next six months to focus on business strategy and planning (36 per cent), financial management (35 percent), and customer service and product/service delivery (28 per cent) (see Figure 9, next page).

Looking to the future, maintaining revenue streams was a key factor in future planning. It was named as one of the key challenges ahead by participants across roles over the next six months, by volume of comments. Participants described the

importance of securing revenue or funding sources, meeting financial targets, and recovering from financial losses. They also described the need to implement cost-saving measures without impacting the business and managing increased or decreased customer demands – which impact financial results.

Figure 9.
Top areas of focus for the next six months

them we don't have a business". 35 per cent of CEOs reported that customer service and product/service delivery was a key area of focus for them in the next six months.

I found that challenging, without a doubt, but I also knew there was a lot of people looking to me... probably that sleepless night for me was I'd only got told on the Monday we were going into lockdown on the Wednesday night and at that time the talk of a wage subsidy was limited to 150K for 12 weeks with further strings attached. Our payroll is millions a month, so I had, it was the early hours of Tuesday morning while I was lying in bed, I thought, "We're going to pay everyone."
– CEO, energy and utilities sector

The other two key challenge areas were business operations and planning and organisational capacity and capability – all related themes to building organisational preparedness for the uncertainty ahead.

Business operations was focused on resetting the strategy and getting the organisation "back on track". Organisational capacity and capability was focused on gaining and retaining staff and building resilience in an ever-changing environment.

However, as one health and safety manager put it – "Customers, without

We recognised the excellent work that the entire staff did over the COVID-19 Level 3 and 4 period (in particular) by thanking all staff publicly and giving all staff (regardless of job type, status or pay level) a significant one-off $ voucher, very soon after the move back down to Level 1.
– Director, health care, medical and community sector

SECTION 2: health and safety perspective

As a sub-set of the wider research cohort, senior health and safety (H&S) practitioners were invited to participate in interviews aimed at exploring how their respective organisations managed H&S risks during the pandemic.

A total of 19 organisations offered to take part in the interview process. Of those, eleven were selected for interview. They represented a range of sectors - from healthcare to retail to critical infrastructure – with most being designated an 'essential service' during Alert Level 4.

Prior to COVID-19

Of the eleven organisations interviewed, three had "pandemic" specifically identified as a critical risk prior to the onset of the current pandemic.

Those three were in organisations aligned with healthcare, public transport, and regional governance. They all reported strong links to centralised government planning and/or compliance processes.

Several other organisations had a broader risk profile noting generic "biological risk" in their risk registers but had not specifically identified a pandemic as a critical risk.

One organisation commented that "pandemic" would still not be identified as a critical risk based on their internal process for identifying such risks.

Prior to the onset of the pandemic, five of the eleven organisations had a specific pandemic policy or plan in place.

Responses varied in terms of the perceived usefulness of these documents. For example, two organisations reported that their pandemic plan was based on planning undertaken during the 2002-2004 SARS epidemic and was therefore out-of-date (last reviewed in 2009 in one case) and not fit for purpose for the current pandemic.

Another organisation reported that while they had a pandemic plan, it was based around a specific "high contagion" (e.g. meningitis) scenario they thought most likely to occur at their organisation.

So while that plan remains fit-for-purpose for that scenario, it was not fit-for-purpose for the operational challenges they face during the current pandemic.

Two organisations reported that they threw away their pandemic plan and started again.

In addition to, or instead of, a pandemic policy or plan, several participants commented on the value of having an effective Crisis Management Plan or Business Continuity Plan (or other similarly-named documents). In some cases, these documents referenced a "pandemic" or other "biological crisis".

There was consistent feedback that these generic documents more easily accommodated the breadth and agility of response required during the early stages of the COVID-19 pandemic in New Zealand.

Several of those with specific pandemic plans or policies commented on the misalignment between areas of the New Zealand Pandemic Plan (2017) - which they had based their own planning on - compared to what as eventually implemented by the Government (e.g. the naming of, and defined activities allowed under, various Alert Levels).

All organisations had some form of pre-existing, documented system or framework to support the management of major incidents/events.

Responses ranged from using the Coordinated Incident Management System (CIMS), to using an "in-house" version of CIMs (adapted to meet their own needs), to bespoke systems based on identified risks and business needs.

In most cases, organisations had used internal expertise to develop and document their approach but in at least two cases external support had been sought. In some cases, organisations were mandated to have a certain level of emergency/incident planning either specifically using, or directly based on the CIMs framework.

The CIMS structure was viewed as being particularly useful by those organisations likely to be involved in multi-agency responses to incidents, as it enables a common language and response methodology across agencies.

As the threat of COVID-19 escalated, the timing of "activation" of formal response groups varied considerably, ranging from a formal response being initiated at first news of the virus in Wuhan, China, to a first formal response as New Zealand went into "lockdown" (Alert Level 4).

In several cases, participants acknowledged a hesitancy within the organisation to initiate a formal response.

Reasons for this included previous experience during the SARS epidemic and a belief that hesitancy to respond quickly to risk was a "Kiwi-ism".

Organisations had a variety of named groups and policies/processes set up to lead and structure their responses.

The following provides additional detail:

- A version of CIMS linked to a business continuity policy and a frequently reviewed business crisis management plan.

- A draft business continuity plan loosely based on CIMS but had not been trialled prior to COVID-19. Was based on responding to a specific geographically isolated event such as fire, earthquake – rather than a national or international event.

- A crisis management response plan – closely aligned with CIMS. Supported by significant in-house expertise due to close ties to Civil Defence.

- A response process tailored more specifically to organisational business risk e.g. not being able to provide essential public infrastructure service following an "incident"...not really fit for purpose during a pandemic.

- A bespoke crisis management system based on CIMS – previously only activated for incidents such as damage done by storms. Strong links to Civil Defence and Lifelines. First time it was used for a national response.

- Used CIMS but the organisation was not very familiar with it – not integrated into the business yet.

- A crisis management process which involves activation of an initial Incident Assessment Team, put together to look at the developing crisis to determine whether activation of the Crisis Management Team is required.

Overall CIMS seems to have served as a good starting point – either used in its entirety or adapted to meet the needs of the business.

Ultimately the success of the chosen system appeared to have been due to many factors including how adaptable and agile it is and importantly whether organisations has used it previously (during actual events or training drills).

This question also drew out the overlap between specific H&S responses to a major incident and broader preparedness and responses from a business continuity perspective.

Those interviewed all played a significant role in leading their organisations' response to the pandemic and therefore appeared to be functioning at a level that required consideration of a whole of business response.

Look, I'm just grateful that we had the structure. I'm grateful that we had already had a few practices and as a team, we were used to working together, because otherwise that could have been quite stressful.
– General manager of health and safety, energy and utilities sector

---

Alert Level 4: lockdown

Organisations took a variety of approaches to updating their pandemic documentation (and other crisis management documentation) once it became clear COVID-19 was on its way.

Of those who had specific pandemic documentation, responses ranged from updating it early in 2020 as the threat of a pandemic grew, to those who began to update it as New Zealand entered Alert Level 4.

In two cases, once the threat became clearer, organisations "threw out" their existing pandemic documentation and started again.

Of those who had existing documentation, several mentioned the incongruence between Alert Levels (phases) stated in the New Zealand Pandemic Plan (2017) versus the four Alert Levels used by the Government at the onset of the current pandemic. At a minimum, this required reinterpreting and rewriting documentation.[8]

In summary, leading into the current crisis most organisations either did not have a pandemic plan, or if they did, it was not considered fit for purpose. This was compounded by some fundamental differences between the national pandemic plan and responses made by the Government during the pandemic.

Organisations reviewed their crisis management documentation in different ways, which perhaps reflected the specific challenges organisations faced in the rapidly-evolving early stages of the pandemic.

Some organisations did not have specific pandemic documentation – preferring instead to manage the crisis using more generic crisis management structure or process. In general, these organisations reported this approach served them well.

Other organisations did choose to create or update specific pandemic documentation. They reported using a range of resources including: expert advice (mostly internal, but occasionally

---

[8] Ministry of Health (2017). *Influenza Pandemic Plan Framework*.
https://www.health.govt.nz/system/files/documents/ publications/influenza-pandemic-plan-framework-action-2nd-edn-aug17.pdf

external); collaborating with other agencies or similar businesses (in some cases with competitors); or simply searching Google.

Policies varied in terms of what they covered – ranging from a narrower focus on H&S issues (e.g. physical distancing, maintaining supplies of PPE) – to a broader focus on business continuity (e.g. how to maintain the whole-of-business supply chain, the approach to paying staff during lockdown).

During the rapidly-evolving events of early 2020, many participants reported a lack of timely information from relevant government departments.

In particular, Worksafe was seen as being slow to provide useful support. This led to some organisations (competitive under normal circumstances) working collaboratively to share ideas and ensure effective and consistent responses to their staff and the public.

This question also highlighted challenges related to business structure when it came to developing and implementing appropriate documentation or processes. For example: An organisation with very different "business units" (e.g. one tightly aligned with a national response and the other a public-facing social enterprise) required very different documentation and processes:

- Organisations with a franchise model where policies/processes were developed centrally, but individual franchisees ultimately decided what/how to implement.

- Organisations in New Zealand, with parent organisations offshore, received guidance based on a different COVID-19 environment offshore.

In terms of crisis preparedness, there was an underlying theme from participants that lengthy BCPs, previously "sitting gathering dust", were unhelpful.

Instead, shorter plans allowing agile responses were needed – and could be kept fit for purpose by having "rolling reviews" aligned with feedback generated by actual events or regular crisis scenarios and drills.

Related to this theme, the topic of "meaningful compliance" was mentioned by two participants.

Finally, what was clear from all participants was that beyond the different strategic level policies/processes, a huge amount of time and effort had gone into developing operational documentation such as Alert Level protocols and regular communications.

Many organisations reporting having undergone formal drills or training scenarios in the previous 12 months.

Two reported having undertaken a pandemic-related drill during 2019. However in most cases, a pandemic was not identified as a critical risk and therefore was not considered as the focus of a training drill. Some questioned the practicalities of running such a drill. For others, responding to actual events (ranging from cyber-attacks and terror threats, to natural disasters) had taken the place of their planned drills.

In most cases, drills related to local, rather than national, events – and ranged from in-company drills to those involving multi-agency responses (e.g. Civil Defence, local authorities, emergency services).

One respondent reflected on the challenges of running a meaningful national scenario with a large volunteer workforce.

Businesses who had experienced "real" crises prior to COVID-19 had generally gleaned some learnings at a system level.

In most cases, it had helped the organisation remain "match fit". But the specific nature and demands of the COVID-19 crisis seem to have caught most organisations offguard initially, as it was

very different to many crises they had previously experiencing or trained for.

One organisation reported setting up remote IT access well before the pandemic as a result of a 2019 review – which served it well during the lockdown.

Several organisations reported that during the current pandemic the Government-mandated 'lead agencies' were not the agencies that organisations thought would take control (based on previous emergency planning).

During Alert Levels 4 and 3

In the early stages of 2020, a variety of response groups were formed – usually informal (rather than a formal crisis management group such as those based on a CIMS structure).

Several organisations initially responded to what they thought would only be a supply chain issue due to events in China. At this stage normal leadership structures remained in place.

As the crisis rapidly escalated and New Zealand quickly moved up the Alert Levels, formal crisis management groups were activated. These ranged from board-level COVID-19 subgroups, to the Executive Leadership Team (ELT) continuing to function as usual, through to specific crisis management groups (usually reporting to the ELT).

In most cases formal authority sat with the CEO (or equivalent).

For those using CIMS, the Incident Controller had a high degree of decision-making latitude.

Whether it be the CEO or Incident Controller, it was clear they were kept informed by a range of technical specialists including those being interviewed. Senior leaders continued to make decisions as needed within their delegated authority.

In many cases, participants emphasized how well the decision-making process worked when it was collaborative, involved input from technical experts, and took place in a high-trust environment. In some cases, a layer of complexity was added due to overseas reporting lines.

Throughout the interviews, it was obvious that being primarily a health crisis, senior H&S practitioners performed a key role in both strategic and operational decision-making at the highest level.

It was also a recurrent theme that being a health crisis, the whole workforce was directly impacted, and therefore ALL aspects of the business were impacted to some degree.

> *I was the Ashley Bloomfield to his (the Chair of the Crisis Management Team) Jacinda Ardern…"*
> – General manager of health and safety, retail sector

Some organisations had pre-determined roles (e.g. CIMS Incident Controller) and named staff holding those roles.

Others engaged a more flexible "horses for courses" approach, where crisis response roles were filled depending on the type of crisis being faced. In the case of COVID-19, this meant that senior H&S professionals often assumed a lead role.

One organisation, as part of its crisis management scenario planning, had deliberately chosen to ensure leaders could move between various pre-determined roles in the crisis management team, hence enabling a built-in level of resilience.

Others reported having relatively fluid membership which evolved, based on changing needs as the crisis escalated. Those working within complicated business structures, or involved in complex multi-

agency responses, commented on the challenging decision-making (and communication) environment the longer the crisis went on. For example, where there were national, regional and local roles within different agencies (e.g. government ministries, national control centres) making overlapping decisions some organisations were left asking – "who has the decision-making authority here?".

Post-lockdown, Alert Level 1

Participants were asked about policies they have in place now that they didn't before COVID-19. Despite this question seeking information at a strategic/tactical level, many responses related to operational changes – of which there had clearly been many.

At the higher level, one organisation reported not needing to make any significant changes (having completing a full review), while others had make a raft of changes including creation of new pandemic policies, updating business continuity plans, and the establishment of new crisis management groups.

Two of the most mentioned changes were:

- Organisations implementing formalised flexible working arrangements. There seemed to be a general appreciation for the benefits of more flexible work arrangements, and some reflected a degree of surprise (at the executive level) as to how well staff performed when working remotely. There was also recognition that remote working does not suit everyone and from a wellbeing and productivity perspective a variety of onsite and remote work options are needed.

- A seismic shift is the use of technology – with one commenting it had moved the organisation forward a decade in terms of the use of "new" technology platforms. There was also mention of the impact online meeting platforms like Zoom and MS Teams may have on the future costs related to travel.

It was clear that in many cases, learnings from the COVID-19 pandemic would drive a re-alignment between the organisation and management of work on the one hand, and staff characteristics and needs on the other.

Several participants expressed hope that their organisation would embrace an increase in remote working, clearly defining what remote working means, encouraging staff to think differently about their work, and not go back to previous ways of working.

> *It has helped us get over the stigma of working from home.*
> – General manager of health and safety, retail sector

Another theme was participants experiencing a clearer organisational focus on keeping people safe. Not that this focus was missing initially, but COVID-19 seemed to sharpen the focus on specific safety and wellbeing needs of the workforce.

A concern for, and focus on, staff wellbeing was mentioned by almost all participants – with two referring specifically to managing the psychosocial risks related to remote working.

A huge array of new or improved practice at an operational level was evident. This included:

- New or updated protocols and processes e.g. for each alert level, cleaning protocols, wellbeing check-ins, contractor guidance etc.

- H&S committees meeting via Zoom.

- Less travel, less cost and greater attendance-stronger industry and collegial networks in many cases - more concise management of messaging and communications.

- Avoiding information overload - a new payroll decision-making process (for paying staff during lockdown).

Those who had invested in building a positive H&S culture reported reaping benefits (e.g. more open conversations within the organisation). This had helped organisations embed a greater focus on wellbeing during the early pandemic, through initiatives such as regularly 'checking-ins' with the workforce.

Participants cited many lessons from the COVID-19 experience that they would use for future events - and external relationships were as important as internal ones.

Developing and maintaining key relationships with relevant government departments and other agencies (e.g. MBIE, Ministry of Health, Ministry of Transport, Worksafe, Public Health departments) was seen as important. However, the strength and usefulness of those relationships varied, with some participants expressing frustration at the lack of support from government agencies.

> *The other big learning was we have to do this for ourselves, because the cavalry isn't coming.*
> – General manager of health and safety, retail sector

A key learning for many related to the benefits of working in a high trust environment.

This was true for senior leaders, several of whom commented on how well their crisis management group worked under pressure ("a high-performing team") - where the group had a common focus, taking advice from technical experts, and making decisions based on the best information available at the time.

Again, when discussing a high-trust environment, there was mention of how well the general workforce performed when working remotely.

A number of responses emphasised learnings about putting people first, with particular reference to wellbeing.

Several referenced the impact on mental health experienced by some of their staff – and referenced stress, anxiety, fatigue and the likelihood of a "long tail" with respect to the mental health and wellbeing impacts of the pandemic.

> *Plan to look after people early – our learning is that adrenaline will only get you so far...the first six to eight weeks people could hold it together. But now we're seeing a lot of really exhausted people...and we've got the Christmas push coming and our people just aren't...we're seeing a spike in incidents.*
> – General manager of health and safety, retail sector

Organisations also learned how agile they could be e.g. rapidly moving to full online trading; working closely with previously challenging external groups (competitors, unions); rapid rollout and engagement with new technology.

There was a lot of comment about communications.

Many referred to an initial overload of information from various sources within the organisation. The general trend was for organisations to move towards a "single source of truth".

In many cases this involved messaging from the CEO backed up by a dedicated intranet page. Some moved to specific communications for distinct work groups.

Increased knowledge of the potential benefits of new ways of working (e.g. remote working) and the potential impact of this on productivity, wellbeing, and cost structures (leased office spaces, travel) was also mentioned as a key learning.

Other learnings included:

- Senior H&S professionals getting dragged into the detail or operational "doing" when they would have been better to step back, and set the direction related to risk management.

- Having the confidence to manage own business risk even when it contradicted advice from government agencies. Generally, this meant being more conservative e.g. the early introduction of mandatory mask wearing.

- How difficult it can be to manage the public - from panic buying to social distancing.

- H&S implications when trading volumes fluctuate significantly. For example, trading volumes up by 30 percent leading to an increased number of incidents. Difficult to plan for and resource this.

- When making decisions based on available information, sometimes "near enough is good enough".

- The power of maintaining a positive mindset – there will be a way to figure this out!

If you keep waiting for all of the information, it'll always arrive 10 minutes too late, half an hour too late, an hour too late – especially if coming from government departments.
– General manager of health and safety, retail sector

Additional learnings – Alert Levels 2 and 3

Several organisations had updated policies and processes during, and reviews immediately after, New Zealand came out of Alert Level 4.

Additional lessons based on the "Auckland cluster" during August and September depended to some extent on the organisation's presence in Auckland.

Being able to accurately interpret government guidance was important. An example was Auckland's move to Alert Level 2.5 on 31 August, a hybrid alert level not on the original schedule of Alert Levels 1 - 4.

Those within, or adjacent to, the Auckland region faced various challenges. Where physical premises (e.g. retail stores) were located near the border there were challenges faced by staff crossing the border. In some cases, providing staff with appropriate documentation to cross the border took several iterations. Again, the need for effective communication was a common theme.

> *The other thing I would say is that what is said by the Prime Minister and anyone else on those media conferences, you do actually have to go and read the Health Order. Because what is in the Health Order and what they say are not always the same. Actually, getting that legally correct [is important].*
> *– General manager of health and safety, retail sector*

There was further consideration of staff wellbeing.

> *Communication, communication, communication – but more specific/targeted to avoid overload. It was trying to get stuff out that was accurate but fast. And clear comms about the WHY.*
> *– General manager of health and safety, retail sector*

One participant commented on individual variance in personal circumstances and wellbeing challenges faced – "some thrived while others survived".

Others reinforced the value of regular check-ins by managers or "People and Culture" colleagues. These check-ins informed decisions about some staff returning to the office while others didn't.

Other comments included:

- Taking a more pragmatic approach to managing 'vulnerable staff', taking into account the trade-off between direct risk of COVID-19 versus impacts on their general health/wellbeing.

- Being more proactive about managing situations specifically related to COVID-19 exposure, for example contacting public health directly (not waiting to be contacted by them).

- Trying to remain aligned with the approach of similar organisations to avoid public confusion and the media spotlight.

Above all, a clear learning from the Auckland cluster was that the pandemic is far from over.

Several comments reflected that we may only be at the beginning of the pandemic, how easy it is to become complacent, and the need to remain alert, agile, and ready to respond to whatever comes next.

> *I think we've learnt very much that we can break down barriers, silos disappeared, cross functional collaboration was just extraordinary, it was brilliant. A lot of learning around a really clear purpose and direction is what organisations need. You can do incredible things with a very clear purpose and goal. And yeah, that would be at the very highest level. And trusting your team to get on with it, and that we don't need to have people in the office to actually get the job done. Those would be the biggest ones [learnings].*
> *– General manager of health and safety, retail sector*

Looking ahead - lessons learned

Most health and safety practitioners had conducted or planned to conduct formal reviews of their organisations' pandemic responses.

Five organisations reported already having completed a "full review" and at least one other had engaged external support to review its BCP.

At the time of asking (early October), organisations had already undertaken a variety of review processes, including:

- A full formal review of the organisations response before and during New Zealand's move into and out of Alert Level 4. Review of Crisis Management Team (or similar) structure and performance.

- Policy/process reviews including: flexible working policy, pandemic policy, crisis management plan, procurement processes, payroll processes.

- Review of physical office spaces to accommodate new ways of working.

- Review of response to staff needs (including staff surveys).

- Review of the need for all staff to have a company device.

conclusion

Across all roles, there were several key themes from the research: increase communications, be a visible leader, and ensure the strategic and financial health of the organisation. However, central to all was one clear message: it was about people, people, people.

CEO participants in the survey were overwhelmingly positive about how they and their organisations had fared in the pandemic. Many tackled the immediate crisis with a "Kiwi can-do" attitude and were action-focused. For some, this worked in the immediate crisis, but not so well afterwards.

The things that CEOs felt they had learned from this crisis that was worthy of holding onto included good, clear and prompt communication, good leadership, flexible and new ways of working, team work, good planning and quick response, resilience, and also supporting "your" people.

Some found that the work aspect of their organisation seemed to "tick along fine", but the people aspect required more work.

The COVID-19 pandemic crisis demonstrated that communications are never more important than during a crisis.

The survey of CEOs undertaken by ROW for the Business Leaders' Health and Safety Forum has shown that is it time to recognise good business is about more than just the numbers and economic units. It's about people and relationships and all the associated emotional messiness that goes with that.

The COVID-19 pandemic and the issues that CEOs and others in their organisations are now dealing with has brought this into sharp relief.

The research carried out by ROW for the Business Leaders' Health and Safety Forum shows that while COVID-19 and pandemics were generally on the radar by March 2020, the implications of what such disease outbreaks actually meant for business operations were not so apparent. The requirements of physical distancing and working from home meant organisations had to move fast to ensure staff had access to technology and to keep operations going.

CEOs noted they, and their organisations, had to be agile and to pivot quickly as Government decision-making frequently did not leave a lot of lead time.

Organisations with a strong, positive culture and high levels of trust in staff coped better, their CEOs said. Staff needed to be trusted to get on with the job, and they did.

This is where the three critical lessons come in:

1. Good communication is critical.

2. Put people first.

3. Plan and be prepared.

The strength of relationships is key in times of crisis, the research showed.

Communications between CEO and staff, board, suppliers, and the wider community needed to be frequent, regular, and clear. CEOs were required to step up as leaders and be highly visible, a role that was new to some involved in the research and one that they were not always comfortable with.

However, it was clear from the research that during a pandemic crisis, there was a need for strong leadership and decision-making from CEOs, and this was expected by staff in particular.

That did not mean that CEOs should be expected to do everything on their own. Many referred to strong executive teams, engagement with Government ministers, and support from other CEOs as helping during the crisis. Family and executive assistants were also essential supports.

These supports are vital, particularly in the aftermath of lockdown and Alert Level 3.

Many CEOs reported that while staff and others coped with the immediate crisis itself, the resumption of "business as usual" was causing problems as staff found stress and ongoing uncertainty hard to deal with - as did some of the CEOs themselves.

Emotional wellbeing and mental health will be significant areas to focus on in the next phase as organisations and the country as a whole grapples with life in the COVID-19 era. Alongside this focus, CEOs

and other senior leaders will be ensuring the long term survival of their business through strategic planning and financial management.

Despite the seriousness of the global pandemic and its effects on the global economy, as well as the huge impact of Level 4's lockdown on businesses and the potential for future problems, most New Zealand CEOs and senior leaders are confident about the future and their organisations' capacity to respond to future events – whatever the likelihood or probability.

> *We've got through this by good luck. What might happen in the face of another crisis ....*
> *– CEO, government (local) sector*

appendices

APPENDIX 1

Pandemic research summary: Who responded?

survey

298
participants

75%
aged 40 – 59 years

68%
male

32%
female

Ethnicity

NZ Euro	████████████████ (~85)
Māori	██ (~5)
Other	███ (~10)

(axis: 0, 25, 50, 75, 100)

Role

CEO	H & S Manager	General Manager	Director	Other
37%	22%	18%	11%	12%

Number of employees in organisation

1 – 9	██ (~5)
10 – 99	██████████ (~24)
100 – 999	███████████████████ (~45)
1000+	█████████ (~22)

(axis: 0, 10, 20, 30, 40, 50)

Industry

Energy & utilities	~14%
Transport, warehousing & logistics	~11%
Government (central)	~10%
Manufacturing	~10%
Construction	~9%
Government (local)	~7%
Healthcare & community services	~6%
Professional services	~6%
Agriculture, horticulture & forestry	~6%
Retail	~3%
Science & technology	~3%
Tourism	~2%
Financial & insurance services	~2%
Education & training	~1%
Real estate & property	~1%
Sports & recreation	~1%
Other	~6%

(axis: 0%, 5%, 10%, 15%)

supporting research

4 focus groups with CEOS (x2), General Managers and H & S Managers.

9 1:1 interviews with CEOs from a broad range of NZ organisations.

11 1:1 interviews with H & S Managers from a range of sectors.

Note, the full research findings have been provided in a separate document.

APPENDIX 2

A timeline of COVID-19 in New Zealand

First warning

December 2019:
A novel virus first
identified in Wuhan,
China.

Global move

The virus spreads.
28 February 2020: First
case of the disease
reported in New Zealand.

March 2020: Most
countries have imposed
restrictions.

Lockdown

21 March 2020: Four-level
alert system introduced
in New Zealand.

25 March 2020: New
Zealand is at Alert Level
4, the highest level of
restriction.

Lifting limits

8 June 2020: New
Zealand has moved to
Alert Level 1, with no
community transmission.
Borders are still closed.

Alert change

11 August 2020:
Auckland region moves
to Alert Level 3 with
community
transmission. Rest of the
country moves to Alert
Level 2.

Clear again

21 September 2020:
Auckland moves to Alert
Level 2. Rest of the country
moves to Alert Level 1.
From 7 October, all of New
Zealand is at Alert Level 1.
The COVID-19 global
pandemic is still ongoing.

APPENDIX 3
Background and context

background

Overview

COVID-19 (severe acute respiratory syndrome coronavirus 2 or SARS-CoV-2) is currently causing a global pandemic with a health and economic impact that has not been seen for more than 100 years.

It is a fast-moving virus that has exposed global health, economic and social welfare and government preparedness to manage such a crisis[9].

New Zealand has missed much of the health impact but the economic impact has been severe, particularly for hospitality and tourism.

Statistics New Zealand reported on 17 September that in the June 2020 quarter, the New Zealand economy declined 12.2 percent, the largest decline on record.

In the economy, service industries fell 10.9 percent; primary industries were down 8.7 percent; and goods-producing industries fell 16.3 percent.

Economic activity, as measured by gross domestic product (GDP), was down 12.2 percent in the June 2020 quarter. This is the largest quarterly decline in GDP on record. On an annual basis, GDP declined 2.0 percent over the year ended June 2020.

The Treasury's pre-election economic and fiscal update published in September forecast the medium-term outlook to be weaker. It now expects the GDP to fall a further 0.5 percent in the year to June 2021, with annual growth then averaging 3.9 percent over the final three forecast years. Persistent impacts of the pandemic are expected to reduce New Zealand's potential output, slowing the pace of recovery.

> *Planning and setting things up for today is easy, trying to work out what effect there will be for the long term is almost impossible.*
> – Health, safety and wellbeing manager, transport, warehousing and logistics sector

The global pandemic is placing unprecedented pressure on organisations across the world and here in New Zealand.

New Zealand is in the fortunate position of have a limited health effect from the pandemic as the nation chose, as Prime Minister Jacinda Ardern described it, to "go early and go hard" to combat COVID-19[10].

The Government put in place a four-level alert system, with increasing restrictions

---

[9] Henrickson, M. (2020). Kiwis and COVID-19: The Aotearoa New Zealand Response to the Global Pandemic. The International Journal of Community and Social Development, 2(2), 121–133. https://journals.sagepub.com/doi/full/10.1177/2516602620932558

[10] COVID-19 coronavirus: World Health Organisation highlights New Zealand's pandemic success. NZ Herald. (2020, October 26). *New Zealand Herald.* https://www.nzherald.co.nz/nz/covid-19-coronavirus-world-health-organisation-highlights-new-zealands-pandemic-success/53CLYYJI6LUBMW5GVWYUEQGLWM/; WHO FaceBook account, (2020, October 26) https://www.facebook.com/watch/?v=378206889975696;

and more stringent public behaviour expectations.

Two days later, the country was placed into Alert Level 4 and all but essential staff entered lockdown, staying home to isolate and contain the virus, preventing spread through community transmission. People were told to pick "a bubble" - usually their immediate and usual family and household members - and to stay within that bubble for the duration of lockdown. Clear public messaging was shared around that bubble image with emphasis on the need for people to respect the bubble and not be responsible for bursting the bubbles of others.

In conjunction, other measures included closing New Zealand's borders to all but returning nationals, and the implementation of a tracing and tracking system for contacts of people who may have been exposed to COVID-19.

Government assistance was available for employers to help retain staff, and additional support was provided for businesses and individuals.

The Government took every opportunity to reinforce its key messages, with a daily 1pm televised press conference, fronted by Prime Minister Jacinda Ardern and Director-General of Health Ashley Bloomfield, becoming appointment viewing across the country. This regular communication, direct to the public, developed a sense of common national purpose.[11]

New Zealand's actions have won praise around the world, including from the World Health Organisation and a range of international media commentators, such as those cited in a recent The Spinoff

article - including "a New York Times editorial, columns in the Financial Times and The Atlantic, and former press secretary for UK prime minister Tony Blair Alastair Campbell, describing it as a "masterclass in crisis communications" in The Independent".[12]

That much-praised approach has led to New Zealand being one of the few nations around the world to have a very limited COVID-19 infection rate. The country only has to deal with the economic impact, not the economic and health impacts combined.

However, while this pandemic is a huge challenge, it probably is not the last or biggest issue that New Zealand will face. As one CEO participant said, that while some high-impact low-probability events in their organisation's planning documents were low probability, that doesn't mean they are no-probability.

> *One of our rules, one of my rules, was: if employees were on 80 percent, the board was on 80 percent. It's one rule, one team, we're all on it, we're all in it together.*
> – Director, health care, medical and community services sector

---

[11] Henrickson, M. (2020). Kiwis and COVID-19: The Aotearoa New Zealand Response to the Global Pandemic. The International Journal of Community and Social Development, 2(2), 121–133. https://journals.sagepub.com/doi/full/10.1177/2516602620932558

[12] The Spinoff, 2020, May 6. *New Zealand ranked first in the world for COVID-19 response communications.* https://thespinoff.co.nz/politics/06-05-2020/nz-ranked-first-in-world-for-covid-19-response-communications/

the context

What is a pandemic?

A pandemic is defined as "an epidemic of infectious disease occurring worldwide, or over a very wide area, crossing international boundaries and usually affecting a large number of people".

So, widespread endemic disease with a stable number of infected people is not a pandemic. Widespread endemic diseases with a stable number of infected people such as recurrences of seasonal influenza are generally excluded as they occur simultaneously in large regions of the globe rather than being spread worldwide.

Throughout history, there have been several pandemic diseases (see Table 1).

The most fatal pandemic in recorded history was the Black Death (also known as The Plague), which killed an estimated 50 – 200 million people in the 14th century.

Other instances include the 1918 influenza pandemic (Spanish Flu), smallpox, and HIV/AIDS.

Characteristics that can influence the severity and impact of pandemics include:

- Incubation and transmission.

- Health impacts such as symptom severity and mortality.

- Healthcare capacity to respond – including plant (such as ventilators) and people resources.

- Ability to contact trace and the cooperation of the public.

- Availability and reliability of testing and testing turnaround time.

- System capability and capacity, including Government, scientific community, and businesses.[13]

EY produced a table listing differences between traditional business disruptions and pandemic-related disruptions (see Table 2). While some of the characteristics and impacts of business disruptions caused by natural disasters (e.g. hurricane, earthquake, tsunami) may be similar to those caused by pandemic events, a natural disaster is limited to a particular area/geography, whereas a pandemic can start in a particular area/geography and quickly spread globally.

Measles and then COVID-19

While COVID-19 is at the forefront of people's minds now, this particular piece of research was initially prompted by 2019's measles outbreak in New Zealand.

A widespread outbreak of measles in several parts of the country led to public health measures being put in place and people being warned not to travel to affected parts of the country.

The impact of disease - such as measles and more widespread pandemics - often form part of general business forecasting and planning. The reality of measles and its impact prompted initial discussions between the Business Leaders' Health and Safety Forum and ROW on high-risk low-probability events and insights that could help businesses generally in another outbreak of disease. And then COVID-19 happened. This brought a new urgency and relevance to the research project.

---

[13] Dr P. Modi, personal communication, 9 May 2020.

Table 1. Summary of some of the pandemic outbreaks over recent history

INFECTION	FIRST CASE	SOURCE	TRANSMISSION	MEAN OF INCUBATION PERIOD (DAYS)	GLOBAL CASE RATES AND CASE FATALITY RATES (CFR)
Bubonic plague **'The Plague'**	Most significant outbreak started 1347.	*Yersinia pestis*, a zoonotic bacteria found in fleas and small mammals.	Flea bites.	2-6	Estimated 50+ million.
1918 and 2009 influenza (H1N1)	1918.	Pigs in 1918 and 2009.	Respiratory droplets, infected surfaces.	1.4	50 million; CFR 2%-3%.
Ebola	1976.	Bat.	Contact with infected blood or body fluids.	2-21	Over 30,000 cases; average 50% CFR.
Avian influenza A (H5N1 and H7N9)	1997.	Birds and poultry.	H5N1 is spread by contact with infected living or dead poultry and birds or rarely prolonged contact with infected humans; H7N9 is spread through contact with infected poultry.	2-5	H5N1 had 649 cases; 60% CFR; H7N9 had 571 cases; 37% CFR.
MERS-CoV	2012.	Bat.	Respiratory droplets.	5.8	2,502 cases; 34% CFR.
COVID-19	2019.	Unconfirmed as of August 2020, but likely stemmed from a bat source.	Respiratory droplets, feces, other bodily secretions.	4.9	5.5 million cases by October 05, 2020; 1.04 million deaths by October 05, 2020.

Source: How does the COVID-19 Pandemic Compare to Other Pandemics? (2020). *News Medical.*
https://www.news-medical.net/health/How-does-the-COVID-19-Pandemic-Compare-to-Other-Pandemics.aspx

Table 2. Comparing traditional business disruptions and pandemic-related disruptions

DIMENSION	BUSINESS DISRUPTION	PANDEMIC-RELATED DISRUPTION
Scale	Localized: impact a specific firm, geography, facility, third party, workforce.	Systemic: impact everyone, including workforce, customers, suppliers, competitors.
Velocity	Typically are contained and isolated quickly once root cause of failure is determined.	Spread rapidly as a market contagion across a geography or even globally with severe cascading impacts.
Duration	Generally shorter duration of disruption; e.g. less than a week.	Extended and more long lasting; e.g. can last up to several months.
Worker shortage	May result in temporary shortage or repositioning of workforce.	May result in a quickly increasing, significant shortage of workforce, e.g. more than half the workforce.
External coordination	May require some coordination with public, government, law enforcement and health officials.	Require high degree of coordination with public, government, law enforcement and health officials and may require coordination with more than one regional jurisdiction.
Infrastructure availability	Requires reliance on the availability of public infrastructure (e.g. power, mass transit, telecommunications, internet) to complement primary business strategies.	May constrain or restrict the availability of public infrastructure as scale and severity of event increases, especially as other companies are impacted by the same issue.

Source: COVID-19 and pandemic planning: How companies should respond. (2020). *EY.*
https://www.ey.com/en_nz/covid-19/covid-19-and-pandemic-planning--how-companies-should-respond

leadership through COVID-19

A review of published research on leadership during COVID-19 was conducted to provide evidence of effective leadership practices during periods of crisis.

The review shows that there is a developing literature in this space. Only a handful of published peer-reviewed papers were identified that provided specific commentary on what effective leadership looks like in a pandemic. A summary of the main findings and conclusions from the publications discovered is provided here.

Bartsch et al (2020) examined leadership in virtual environments and observe that during the COVID-19 pandemic it takes task-and relation-oriented leadership behaviour to maintain staff work performance in crisis situations.

They highlight that leaders who enable a supportive and open climate among team members contribute to the members' convergence around the team and increase bonding among team members, which are central aspects of group cohesion.

Supportive leaders positively influence group cohesiveness and leaders should support staff need for autonomy by enabling them to take initiative, learn from mistakes, and handle difficult situations in their own way.

Furthermore, regardless of how severely a crisis disrupts an organisation ultimately appropriate leadership behaviours are decisive in maintaining staff work performance and steering them through uncertain times.

In conclusion, those leading teams through a crisis should:

- Engage in task-oriented behaviour that provides guidance and sets a clear direction which will help improve teamwork.

- Grant their staff the necessary autonomy and support, enabling them to adapt to difficult crisis-induced circumstances individually in ways that work best for each individual.

When looking at leadership competencies Khalil et al (2020) contrasted leadership competencies in normal time with leadership in times of crisis. They identified five practices common leadership practices that are adopted from *Kauzner and Posner (2012), The Leadership Challenge (5th Edition). Jossey Bass:*

1. **Model the way** - Clarifying values and setting the example through: finding own voice, affirming and personifying shared values, and reflection on action.

2. **Inspire a shared vision** - Envisioning the future through: imagining the possibilities, finding a common purpose, and enlisting others by appealing to common ideals and animating the vision.

3. **Challenge the process** - Searching for opportunities and taking risk through: seizing initiatives, exercising outsight, generating small wins, and learning from experience.

4. **Enable others to act** - Fostering collaboration and strengthening others through: creating a climate of trust, facilitating relationships, enhancing self-

determination, and developing competence and confidence.

5. **Encourage the heart** - Recognising contributions and celebrating values and victories through: expecting the best, personalizing recognition, creating a spirit of community, and being personally involved.

From this research the following leadership roles specific to a pandemic crisis are described:

1. **Sense-maker** - Staff look up to their leaders for guidance in their day-to-day activities, and more so when in times of challenge and crisis. Staff expect their leaders to be there to make sense of things for them.

2. **Technology enabler** - Leadership includes the development and a vision for integrating technology within the organisation. As technology has become an important part of the organisation and its staff, leaders should be competent to enable the staff in their roles using technology.

3. **Emotional stability and employee well-being** - Leaders will be looked up to in the future and post-pandemic to help staff overcome several emotional and personal problems. Leaders will need to understand each and every individual's problems separately and guide them to overcome them.

4. **Innovative communication** - At this time, organisational leaders have the responsibility to help staff receive the correct and most updated information. In addition, leaders will need to adopt innovative ways to feed information in moderation to staff to reduce anxiety and fear.

5. **Maintain financial health of the organisation** - Leaders need to play an essential role during crises not only for

their staff but for the organization too. Maintaining fiscal capacities and financial health can enable leaders to deliver a strong message to the staff. Saving money and not losing out on finances can help save jobs and avoid lay-offs.

The Table 1 below contrasts leadership roles during normal times with leadership roles during times of crisis.

Table 1. Comparing leadership styles

LEADERSHIP PRACTICES IN NORMAL TIMES	LEADERSHIP ROLES IN TIMES OF CRISIS
Model the way	Sense-maker
Inspire a shared vision	Technology enabler
Challenge the process	Emotional stability and employee wellbeing
Enable others to act	Innovative communication
Encourage the heart	Maintain financial health of the organisation

Nancy Koehn is Professor of Business Administration at Harvard Business School and has written extensively on leadership in times of crisis. In a recent online article, she provides her expertise on leadership in times of crisis.[14]

Several direct quotes are relevant and useful in this context.

"*Your job, as a leader today, is to provide both brutal honesty — a clear accounting of the challenges your locality, company, non-profit, or team faces — and credible*

---

[14] HRB, 2020. https://hbr.org/2020/04/real-leaders-are-forged-in-crisis

hope that collectively you and your people have the resources needed to meet the threats you face each day: determination, solidarity, strength, shared purpose, humanity, kindness, and resilience. Recognise that most of your employees are anxious about their health, their finances, and, in many cases, their jobs. Explain that you understand how scary things feel, but that you can work together to weather this storm.

"In the current crisis, leaders must act in a similar fashion — giving their followers direction and reminding them why their work matters. In organisations providing essential services, such as government agencies, hospitals, pharmacies, grocery stores, food and healthcare equipment manufacturing plants, news outlets, scientific labs, non-profits serving the poor and many others — this raison d'etre will be immediately apparent. But it's still vitally important to emphasize the key role that each person involved in the operation plays. And, in other businesses, the new mission can be as simple as helping all stakeholders navigate this crisis as effectively as possible.

"To successfully navigate crisis, strong leaders quickly get comfortable with widespread ambiguity and chaos, recognizing that they do not have a crisis playbook. Instead, they commit themselves and their followers to navigating point-to-point through the turbulence, adjusting, improvising, and re-directing as the situation changes and new information emerges. Courageous leaders also understand they will make mistakes along the way and they will have to pivot quickly as this happens, learning as they go.

"Model the behaviour you want to see. This means using your body language, words, and actions to signal we are moving forward with conviction and courage. It means regularly taking the

(figurative) temperature of your team — How are they doing? How are they feeling? What do they need? — so that its members begin to do the same for each other. Indicate that you are taking the time to rest and recharge and encourage your employees to do the same."

A recent article by Ethan McCoy - Senior Writer, Development and Communications for the Centre for Effective Philanthropy (CEP) refers to a webinar presentation by the President of CEP Phil Buchanan who explored questions about leading in a time of crisis[15].

He states that:

- You can't communicate enough. People want to know what's going on — and that you're not minimizing and that you're on it. Use all the channels you have to communicate. Be open and honest but also encouraging.

- Check in with people one-on-one — it is huge and will help you as much as (or more than) them.

- Empower people to be creative in this moment. This is key. Step away from the specifics and be pleasantly surprised by what people can do. They know how your organisation can best be helpful in this moment.

- Recognise that parents are in a whole different boat than others during this time, especially parents of young children. Support them and realize there is no way they can be productive in same way as people who don't have children. Also, meet little ones over Zoom; it will make you happy.

- Update your board so it knows what you're doing, what you're thinking, what you're planning.

---

[15] CEP, 2020. https://cep.org/leadership-in-a-time-of-crisis/

And so it can help you! Your board members want to help you. They can probably help you more than you realize.

- Recognise we're entering a period when more and more people on your staff will be affected by this virus. They will know people who get it. Some of them will get it. Talk now about how you will prepare for the fact that some staff will be going through a lot and need support.

- In the same vein, make sure you have contingencies and redundancies. Make sure you are prepared to operate with people — including yourself — out for an extended period. Who will perform those functions? Do they know what they need to know?

- Capture cost savings now. The more you can reduce costs now, the more flexibility you will have and the more likely you can avoid layoffs.

- Talk to your peers who lead other organisations in your space. Share what you're doing. Listen and learn from them. Talk about what you can do together to be helpful in this moment. Lean on each other! No one can do this alone.

- Take time for yourself. Step away and be with the people you love. Go for a walk. Get perspective. Watch a movie with your significant other or friend. Listen to music. Whatever gives you peace.

- Realise you will make — and probably already have made —

some big mistakes. Acknowledge them. It's a sign of strength, not weakness, and it allows others to know it's okay if they make mistakes too.

- Know we will get through this — and help people understand what that might look like. How we can be stronger for what we have endured.

- Question all the usual operating assumptions — now is not the time to default to something just because it's how we have done it in the past.

- Know that you're doing your best. And that that's all you can do.

Closer to home, Wilson (2020) reports on a case study which aimed to highlight lessons learnt from New Zealand's approach to COVID-19 with an emphasis on the New Zealand Government's response. This analysis of key themes emerging from New Zealand's pandemic experience informed the development of a good practice framework that she hopes may offer useful ideas for application by anyone playing a leadership role that involves grappling with the pandemic (Illustration 1, next page).

There are three main pillars:

- Be led by expertise.

- Mobilise collective effort.

- Enable coping.

Enacting all three builds trust – that critical organisational element to surviving and thriving through a pandemic.

Illustration 1. Good practice leadership framework for crises such as pandemics

Foster a shared purpose:
Minimize harm to lives and livelihoods

Be led by expertise	Mobilise collective effort	Enable coping
Follow the science	Inform & educate	Enable planning
Use facts & evidence	Pull no punches	Build relevant knowledge & skills
Listen to advice from relevant experts	Convey direction, meaning & empathy	Enable sense-making
	Unite	Enable kindness
	Address practicalities	Develop creative responses
	Avoid defensiveness	
	Solicit feedback	

→ Builds trust in leadership

Leadership review references

Bartsch, S., Weber, E., Büttgen, M. & Huber, A. (2020), "Leadership matters in crisis-induced digital transformation: how to lead service employees effectively during the COVID-19 pandemic", Journal of Service Management, Vol. ahead-of-print No. ahead-of-print. https://doi.org/10.1108/JOSM-05-2020-0160.

Dirani. K., Abadi, M., Alizadeh, A., Barhate B., Garza, R., Gunasekara, N., Ibrahim G., & Majzun, Z. (2020). Leadership competencies and the essential role of human resource development in times of crisis: a response to COVID-19 pandemic, Human Resource Development International, 23:4, 380-394, DOI: 10.1080/13678868.2020.1780078.

Wilson, S (2020). Pandemic leadership: Lessons from New Zealand's approach to COVID-19. *Leadership*, Vol. 16(3) 279–293.