

# Compassionate Leadership as a Turnaround Strategy in times of Covid19

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## Abstract

### BACKGROUND:

Covid-19 pandemic has disrupted the nature of work in different domains of human endeavour. There was a wide spread distress and pessimism among the employees working in different sectors of the economy. Such circumstances demand a compassionate leadership to help team members to unleash their potential necessary to successfully sail through this crisis and setting the stage for turnaround of business.

### OBJECTIVE:

- (1) To identify the key drivers of Compassionate Leadership
- (2) To Analyse critical components of Compassionate leadership as a turnaround strategy.

### METHODS:

An exploratory methodology was used to identify the key drivers of compassionate leadership by studying successful stories of various business enterprises which were able to turnaround their business performance during Covid-19 and also various papers were reviewed to identify critical components of Compassionate leadership as a turnaround strategy RESULTS:

The Study showed that crisis, cost, camaraderie and commitment are the key drivers of compassionate leadership. Knowledge of self and others, creating a culture of compassion, authentic actions of compassion represent the critical components of compassionate leadership as a turnaround strategy during Covid 19 for business recovery and excellence.

### CONCLUSIONS:

The process of compassionate leadership varies from one organisation to another depending on the nature of business and sufferings of individuals in the organisation but the identified critical elements form a unified approach towards adoption of compassionate leadership as a turnaround strategy especially during Covid 19.

**Keywords:** Compassion Leadership, Turnaround Strategy, Covid 19, Key drivers, Critical components,

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## 1.Introduction

Implications for business," McKinsey & Company, New York, 2021. [2] "Supporting Livelihoods during Businesses across the world were negatively impacted by Covid19 pandemic and the consequent lockdown [1]. The business sentiment and the morale of the employees was low seeking fast revival for sustainability of businesses and livelihood [2]. This unexpected event has dramatically changed the working life of Individuals and organizations at large [3]. Majority of the Covid imposed norms such as wearing mask, maintaining social distance made remote and virtual working order of the day. These new ways of working changed organizational communication patterns and group dynamics posing severe challenge to managing and leading people at work in startups to sizeable organizations [4]. Leadership is in crisis as the leaders have the onus of building confidence and motivating their team members in times of uncertainty to perform to the best of their abilities and to turnaround their organization's declining performance. Leaders are in dilemma and faced with questions like, what type of leadership would win their employees to win customers for long run survival and growth of their organisation? Does Compassionate leadership is the most suitable one in these times of uncertainty? Should organizations continue with similar leadership post pandemic? Compassionate leadership is not new as it is commonly followed in health care sector. This may be the right kind of leadership during pandemic as it fosters better performance, loyalty and engagement among the employees [5].

According to CEO of BankBazaar, Mr. Adhil Shetty and CEO of Simlilearn, Mr. Krishna Kumar, Compassionate leadership plays a vital role in not only building relationships and bonding amongst team members but also offers psychological security and balance at workplace. Some CEOs are of the opinion that Compassionate leadership should be followed as a principle not only during pandemic but also in normal circumstances as it is more effective [6]. However, adoption of this type of leadership may be difficult for business leaders if they are not aware of its overall benefits and its different dimensions for practicing. Compassionate leadership should be used as a Strategy in not only turning around declining businesses, but also enhancing performance of normal ones too.

### 1.1 Compassionate Leadership: Theoretical Perspective

Compassion involves a genuine desire and action to reduce person's sufferings. It also means 'co- suffering'. A compassionate person recognizes the needs and sufferings of people and makes sustained efforts to reduce the sufferings. At work place, the sources of sufferings of an Individual represent unpleasant experiences such as ill treatment, harassment, lack of work- life balance, job security and compassion may be exhibited by either individual or group to alleviate such sufferings. Sometimes there may be insufficient compassion in the organisation either due to intense competition to perform and heavy work load or the organisation culture considers it as weak behaviour. But the researches across the world on compassionate leadership have indicated that, such leadership is more than being compassionate individual and caring for team members. A compassionate leader is one who is not only a compassionate person but also creates a culture of seeking or providing help to alleviate individuals' sufferings as the norm [7].

The benefit of compassionate leadership extends beyond sufferers as it elicits positive perception from other stakeholders of the organisation concerned. These benefits include: 1) strong bond between co-workers 2)

High degree of Job satisfaction and organizational commitment 3) Supportive management 4) Compassion leads to Compassion 5) Better health and well-being 6) reduced employee turnover [8].

During the pandemic, employees had to face several challenges of coping with work from home as it blended both professional and personal life, multi-fold increase in work, technological interventions for simple to complex tasks. Many of them had to undergo physical, mental and emotional disturbances due to unfavourable events unfolding in their family and business environment such as loss of loved ones, loss of employment, family members falling sick and with the uncertainties looming large in different sectors of the economy. Such situation demands a compassionate leadership to understand employee's problems, proactively address them, instil confidence and offer security to enable them to perform to the best of their abilities [9]. Few companies used compassionate leadership as a turnaround strategy during pandemic period to bring back their business performance to normalcy and some even excelled their normal performance. Post pandemic, organisation may face new challenges emerging from employees readjusted to work place as their work place will move from family. Compassionate leadership will be able to address these issues in the next normal if the organizations adopt it seriously [10].

## **2. Materials and Methods**

Research papers were reviewed to study Key drivers of compassionate leadership and the experiences of successful business turnarounds during Covid 19 were analysed to get critical components of compassionate leadership as a turnaround strategy.

### **2.1 Objectives of the Study**

- (1) To identify key drivers of Compassionate Leadership
- (2) To Analyse Critical components of Compassionate leadership as a turnaround strategy.

## **3. Results and Discussion**

### **3.1 Key Drivers of Compassionate Leadership**

The following are the key drivers of Compassionate Leadership

#### **3.1.1. Crisis**

Crisis like pandemic triggers high level of physiological and psychological distress due to social isolation and lack of emotional support. In such circumstances, compassionate leadership becomes even more important to bring back the disrupted business equilibrium. Several studies show that there is a positive relationship between organisation success and compassionate leadership. Such leaders perform better in both normal and crisis business environment [11].

#### **3.1.2. Cost**

A study conducted in 2021, estimated that an American worker spends on an average of 34 hours per week

at work place. While working such long hours, he should be able to express his compassion and also receive it from others, otherwise he will be emotionally disturbed and loses physical and mental health. High level of absenteeism, sick employees, low productivity are the symptoms of lack of compassion at work. This may prove very costly for the organisation as it incurs both actual and opportunity cost. Actual cost includes compensation and other benefits given to the employee and opportunity cost is the expected productivity from a worker if opportunity is given him in place of unproductive worker. An unhappy worker may be loyal to the organisation but he may remain as a non performing asset. So, compassion plays a vital role especially during pandemic, when employees lose hope and worried about their future, in lifting their spirits, motivating them through compassionate communication, which ultimately leads to turnaround of declining businesses [12].

### **3.1.3. Camaraderie**

Highly successful organizations are built on the strong foundations of mutual trust and compassion. In such environment, employees get emotional solace from cordial interactions with their leaders and co-workers. It is a universally accepted fact that the effectiveness or productivity of the team depends on the degree of trust existing between members. Compassion breeds more compassion among the members who trust each other and make every effort to reduce their sufferings [13].

### **3.1.4 Commitment**

Compassionate leadership not only enhances loyalty of organizational members but also their commitment towards the achievement of its goals. A compassionate leader will be able to effectively communicate the expectations of the organizations and get whole hearted contributions from his team members to meet those expectations [14].

## **3.2.Critical elements of Compassionate Leadership as a turnaround strategy.**

**3.2.1.** Knowledge of Self and others Buddha said, “If your compassion does not include yourself, it is incomplete” which means, to be a compassionate leader, one must be compassionate to self before being to others. This is possible when you have the complete knowledge of physical and psychological needs and motivating factors to perform of self and others. Self-compassion involves keeping oneself physically and mentally fit and remaining stress free even in the worst of the worst crisis like pandemic. Activities like deep breathing, exercise, yoga, practicing gratitude and sharing feelings and emotions with reliable friends promotes well-being of the individual. Compassion must be combined with wisdom in an effective leadership. Wisdom lies in competency of leader and his deep understanding of motivating factors of individual and ability to manage them in achieving the intended results.

A recent Research conducted on 15,000 leaders in more than 5000 companies spread across 100 countries revealed that wise compassionate leadership is the most effective leadership in the current scenario as it involves balancing concern for people with the goals of the organisation to move forward in most effective and productive manner. Thus, a wise compassionate leadership is all about doing hard things in most human way. Research also stated that regular mindfulness practice increases both wisdom and compassion as mindfulness leads to better self-awareness and cognizance of emotions and behaviours of others. Leaders should have wise compassion frame of mind to support people during these difficult times [15].

### 3.2.2. Creating a Culture of Compassion

Ralph Nader once remarked that “The key role of leaders is to create more leaders and not followers”. Compassionate leadership would be effective only when its philosophy and values such as open communication, empathy, ethics, team spirit, empathy percolates throughout the organisation. Open communication involves asking questions and getting feedback on a continuous basis. The whole purpose of compassionate leadership is defeated if the organizational members are unable to express their sufferings. A compassionate leader encourages open communication and empowers each of the members to share their sufferings by getting close to them and help reduce their suffering and remove the obstacles coming in the way of organizational success.

A leader is empathetic when he acknowledges other’s problems as his own problems. He will be able to visualize the situation standing in the shoes of another person. This may sometimes lead to compassion fatigue when the leader is overwhelmed by other’s problem but that is considered to be the best way of understanding team member and increase the effectiveness of team as a whole in resolving member’s problems. A compassionate leader is empathetic on a daily basis. A study conducted by Harvard Business Review team on 20 companies, revealed that there was a significant increase in the revenue due to mutually understanding environment created by empathy and compassion.

Compassionate leaders give utmost importance to ethical standards and make their best efforts in implementing those standards across the organisation. This not only encourages the team members to develop ethical mind set but also fosters loyalty and dedication across all level. Compassionate leaders are solution oriented. Under such leadership, the whole team takes the responsibility for under-performance or failure and rely more on team spirit in putting the resources for the best possible use to solve those problems without passing the buck to any of the team members for the mistakes [16].

### 3.2.3. Authentic Actions of compassion

Compassionate leaders always practice the three R’s: Respect for self, Respect for others and Responsibility for all their actions. They are action focused and proactively indulge in noticing, understanding and alleviating the sufferings of others. Actions are self-driven, authentic with deep desire to help others. This type of leadership was used by many of the companies to help employees who were undergoing mental, physical and emotional imbalances while they were working from home alone. Leaders established constant communication with employees to know the trauma they are undergoing and helped them in all possible ways to provide safety and security to them and their family members. Enhanced compensation, incentives, health and life insurance were given to the employees and family members. According to Vinod Khosla, founding CEO of Sun Microsystems and a venture capitalist, Compassionate leadership is all about exhibiting the courage to help when others are afraid. There are not more than 100 people in a decade in selected field who have their own belief system and change the course of the society. Pandemic is a challenge and an opportunity for young leaders to be one among them [17]

## 4. Conclusion

Before concluding this paper, some excerpts from the practical experiences of business leaders who were able to turnaround their business performance with compassionate leadership during covid pandemic Managing Director of Marico Industries, Mr. Saugata Gupta, "In times of pandemic, we truly followed people-first approach focusing mainly on safety and well - being of members with empathy and compassion" [6]. Executive Director of Emcure Pharmaceuticals, Ms. Namita Thapar, "The real test of leadership lies in how employees are treated during Covid and beyond. Empathy and compassion should be authentic and deeply ingrained in the fabric of organisation and it should not just for the sake of talent retention and public appreciation" [6]. Senior Partner of Leadership Advisory, EMA Partners, Mr. Debu Mishra, "When designations, power and roles ceases to drive individuals, it is the mind set of compassion which makes us leaders" [6].

Compassionate leadership offers several benefits, some are qualitative in nature like strong bonding between co-workers and leaders, high level of loyalty and commitment, Job satisfaction, courage to deal with crisis, others are quantitative in nature like, reduction in costs, increase in profits and market value. So, such leadership is need of the hour for organizational excellence. Researches across the world identify different steps in implementation of compassionate leadership but the critical elements are knowledge of self and others, creating a culture of compassion and authentic action of compassion. Organizations can customize their model of compassionate leadership by incorporating these critical components in the process of developing such model. According to Motilal Oswal, Managing Director of Motilal Financial Services, subordinated seek knowledge, freedom, appreciation and feedback from compassionate leader [6]. A wise compassionate leader is one who not only give wholehearted appreciation for performance excellence but also genuine feedback on the underperformance of tasks. He makes their employees understand their limitations and support them in a more compassionate way to develop their competencies to achieve organizational goals [18] [19].

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## CONFLICTS OF INTEREST

The authors have no conflicts of interest to declare.

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