Meeting the challenges of COVID-19

**Crisis perceptions**
The different dynamics of ‘character’ and ‘capability’ reputations under stress

**The right time to pivot?**
Why mine-clearance charity the HALO Trust took on a new emergency

**The Big Interview**
Rita Clifton on ‘saviour’ brands and the need for business to re-humanise

**The many faces of AI**
Futurist Amy Webb on why we distrust the technology we need to beat the pandemic, and how we can make it better

**Making sense of disruption**
From preserving trust with employees to using scenarios to map the future

**News and appointments**
Understanding how different reputation types impact stakeholder assessments is even more important when navigating a crisis. Yuri Mishina explains.

**RESEARCH FOCUS:**
**CHARACTER AND CAPABILITY**

The vast research on crisis indicates that what stakeholders want and expect most of all from organisations and their leaders is that they reduce their uncertainty and anxiety about financial, physical or social harms, or the chances of a future recurrence. Providing limited or unconvincing information, as so many organisations opted to do at the outset of the COVID-19 crisis, did little to reduce these uncertainties or to allay fears.

How stakeholders interpret organisational responses to the crisis is also based on the existing reputations of the organisation and its leaders, since reputations set the expectational filters through which subsequent actions and statements are interpreted. In this regard, it is important for organisations to appreciate how two broad types of reputation – capability and character – are likely to influence stakeholder reactions.

Capability reputations refer to collective judgments about the organisation’s/leader’s competence, whether they possess the skills necessary to take control of the situation now and in the future. Character reputations, or collective judgments about an organisation’s value system and priorities, will influence how likely stakeholders are to presume that it will behave in a benevolent manner.

Even if the organisation has not yet provided much information, stakeholder anxiety might not increase as much given a favourable character reputation. Faced with an uncommunicative organisation with an unfavourable character reputation, however, stakeholders may worry about it behaving in an opportunistic manner and protecting itself at their expense, and purposely withholding information in order to do so.

‘Organisations with less favourable character reputations may need to provide more reassurances’

The role of these existing reputations can be seen in the different stakeholder responses to government lockdowns and other initiatives as a response to COVID-19. In the Nordic countries, for example, citizens seemed happy to follow government guidelines about social distancing, and this has largely been attributed to the amount of trust they have in their governments. In the US, by contrast, armed protesters surrounded politicians in several state capitals to protest what they viewed as government infringement of their liberties.

Research suggests that people and organisations tend to be judged by the worst thing they do, and also that even though an organisation’s capabilities might be why stakeholders initiate a relationship with it, they will leave if they feel mistreated (or that they might be in the future). If they feel that an organisation does not value them, they will only stay if they don’t have any better options. Indeed, research has found that people are often willing to punish others if they feel that they have been treated unfairly, even if that means that they are damaging themselves. This suggests that even if they do not have options that are as attractive, stakeholders will not necessarily maintain relationships with an organisation that they feel has wronged them.

Taken together, there are a number of implications for how organisations should manage their stakeholders during a crisis such as COVID-19:

1. **Give clear and timely information.** A lot of people are feeling anxious and uncertain, and they need to feel like organisational leaders are taking the crisis seriously, aren’t trying to hide things from them, and are doing what they can to minimise its negative
Complex challenges seldom have clear-cut solutions, not least because the answer to one facet of the challenge may create greater difficulties in another. The important thing is to have a deep understanding of the forces in play, and a grasp of the tools and approaches that will give you the flexibility to adapt as the challenges evolve. The emergence of COVID-19 has thrown down a greater menu of such challenges than anything in most of our lifetimes: medical, geopolitical, economic, societal. It has exposed some critical weaknesses within our existing systems. It has also revealed the transformational potential of existing technologies, promoting some – such as those underpinning home delivery – from luxuries to essentials. At the same time, the widespread anxiety about impacts. Clear information in a timely manner enables stakeholders to plan their own responses better, rather than worrying about how many different scenarios they have to prepare for.

2. Let stakeholders know what you’re doing to keep them safe. Even when a crisis is not of one’s own making, that doesn’t mean that stakeholders won’t expect you to keep them safe from it. It’s important to think about what their concerns are and try to alleviate them.

3. Look for win-win solutions. Too many organisations encountering a crisis become insular and think only about protecting themselves. This might mean trying to cut costs by not paying suppliers on time, laying off workers, and other initiatives to protect the organisation without fully considering the effects that this might have on stakeholders on whose support it will depend if it hopes to emerge from the crisis and thrive in the long run. In the age of social media, this type of news spreads quickly.

For all three of the above, having strong and favourable existing character and capability reputations will help in distinct ways. Organisations with less favourable character reputations may need to provide more explanations and reassurances, and stakeholders may require more concrete evidence that the organisation will follow through on its promises. The capability reputation will influence whether stakeholders believe the organisation can execute its plans and survive the crisis at all.

Importantly, because reputations are stakeholder-specific, the same organisational actions and statements may be interpreted very differently by different groups of stakeholders: one group may laud a particular action while another may condemn it. Additionally, there may be difficult trade-offs between actions that help one stakeholder group but might harm another. For example, a number of restaurant groups in the UK have stated that they would delay lease payments in favour of paying their employees, but clearly that harms their landlords. In a different vein, Disney was criticised for its decision to lay off more than 100,000 workers, because although they had also cut executive salaries, they chose to protect executive bonuses and more than USD 1.5 billion in dividends.

In most crisis situations, there is probably no one course of action that is going to make everyone happy, but understanding the criteria by which you are being assessed will be invaluable in surviving in the short term and the long term. As organisations continue to navigate the COVID-19 crisis, they should remember that reputations are assets that require upkeep. Favourable character and capability reputations can help you keep and gain new clients, partly by helping to allay stakeholder concerns. At the same time, the specific responses that organisations and leaders make during these crises can serve to reinforce or damage these reputations, and given that character reputations are more fragile and difficult to build than capability reputations, one way to protect and enhance a character reputation is to recognise the importance of an organisation’s stakeholders to its success.

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Further reading:
“Capability reputation, character reputation, and exchange partners’ reactions to adverse events” (Brian Park and Michelle Rogan, Academy of Management Journal 2019 – https://tinyurl.com/y7u2m4p6).
The HALO Trust is renowned for its landmine clearing operations all over the world. However, in the wake of the COVID-19 emergency it announced that it was broadening its remit to apply its expertise to this new challenge. CEO James Cowan (below), a former Major-General in the British Army, explains why, and how he managed the transition.

**CASE STUDY: PIVOTING IN A CRISIS**

*Why did you decide the HALO Trust should undertake this change of direction, and what gives it a particular licence to move into this area?*

The first thing to say is that the Trust is a humanitarian organisation, not a de-mining organisation. HALO actually stands for Hazardous Area Life Support Organisation. In its articles of charitable association it doesn’t really mention landmines at all, so we’ve always had that flexibility to meet a broader humanitarian remit. We’re not abandoning the clearance of landmines, it’s simply a change of emphasis.

We deal with the causes and consequences of war. We believe that COVID-19 will not only have the direct casualties associated with the disease itself, but many indirect casualties associated with the economic destruction that will follow and the conflict-related outcomes, which will actually be far worse than the disease itself. We’re able, by virtue of being humanitarian and impartial, to work on both sides of a conflict. This has huge value in the context of a disease like COVID-19.

Our list of capabilities is really important: we have a lot of vehicles, we’re good at building things, we conduct some very sophisticated surveys – it’s not difficult to pivot landmine survey to medical survey, and the whole medical test, track, trace element of combating the disease is fundamental. We also have a very strong educational pillar to our work.

*Was this re-positioning something you had been thinking of before COVID-19?*

Yes absolutely. My view was that [the HALO Trust] is characterised by people with an incredible sense of adventure, an incredible sense of service and a desire to make a difference in the world, and it was in danger of becoming a victim of its own success. We could dig up the last landmine in every country we’re in and say, ‘That’s it.’ Well, looking beyond landmines, there have never been more IEDs, the proliferation of small arms is horrific, there is the war in Syria, Yemen... We’re here to be part of the solution.

*How do you articulate your mission or purpose now?*

Our mission statement used to read: “Our mission is to save lives and restore livelihoods for those affected by landmines”. Like all mission statements, it has got to be subjected to regular review. It was changed about two years ago to “to save lives and restore livelihoods for those affected by conflict”. We’re not removing landmines from the ground just for the sake of it: we’re making sure that communities can reoccupy land and get livelihoods going again.

*‘By virtue of being humanitarian and impartial, we’re able to work on both sides of a conflict’*

We want to have an impact in terms of COVID-19 within those countries. We currently have 25 programmes, the largest of which is in Afghanistan where we employ 3,500 people, and we plan to build on those.

*How have you managed your various stakeholders, your staff, donors and beneficiaries in this transition?*

The key communities are, first of all, the people who work for us: my international cohort, 180 incredibly dedicated, highly experienced people, and the national staff – the vast majority of HALO – about 8,500 people. Much of my life in the Army was about making pivots: from the Cold War to dealing with the IRA, Iraq, Afghanistan, running the Olympic Games. You need to bring your people with you. As a leader, your primary job is explaining, [in this case] taking people through the absolute humanitarian imperative and getting people to buy into it.

The second audience is our donors. We’re 90 per cent funded by big government donors. The bigger the country, the more it’s a sort of supertanker. Take the US State Department: it is an incredibly good donor to us, but it has a particular bit that funds mine action. It’s not going to suddenly spend it on something else. So the really important bit is to say: “We’re going to spend your money well, we’re going to continue to get the outputs you need from us, and we’re going to be using our ingenuity, our spare capacity, and our skills in a new direction, but it won’t damage what you want. And then you’ve got to talk to other bits of whichever system and say, “Look, you don’t know us, we’re not famous for medical response, but this is what we can do.” That is hard, because bureaucracies have very strong muscle memories, and don’t easily pivot. That is a work in progress. We have to make sure that we’re not imposing solutions on them, because ultimately that is extremely negative.

*Where will your new role be apparent?*

Our work is essentially in two groups of countries: post-conflict countries like Sri Lanka and Angola, or in-conflict countries like Afghanistan, Libya, Syria and Yemen.
How have you repurposed the organisation and made this new capability credible?

I have an existing “capability division”, a broad term to define the technical skills that we need. By virtue of the lockdown it can’t fulfil much of its day-to-day work, so it’s easily pivoted onto this. What they do is essentially provide the top-down assistance, and then the bottom-up bit is each programme being encouraged to be very innovative. The British military doctrine of mission command is: “Tell people why, tell people what, but don’t tell them how.” Make sure they’re allowed to work out how best to do things, and then help them with the resources necessary. The definition of a good leader is someone who will do the right thing in the absence of orders from above.

You’re establishing a whole new set of priorities here. How are you thinking about benchmarking HALO’s achievements, and what are the implications for long-term and short-term strategies?

I think you’ve got to split this between how you organise yourself institutionally within, and how you help shape the broader debate. I have a responsibility to make sure that the HALO Trust gets through this crisis in one piece. These are very troubled times economically. We may not be a for-profit organisation, but money needs to be at the centre of what we do. I think what we’ve got to do in the longer term is make the case for why we do what we do is such good value for money. I’m fortunate I have a board that can help me do that. You make sure that you are engaged and engaging with institutional donors, the academic sector, with the think-tanks, that you’re beginning to shape the debate, because I feel very strongly that the COVID crisis has internalised every Western country to a greater or lesser extent. Whether or not COVID affects developing countries less badly than the West, because they have younger populations, the economic effect will be truly extraordinary, and where economies crash, war very rapidly follows. So making the case for why we need to be there and what we need to do is fundamental.

HALO has a particular profile, not least because of its royal supporters. Are you trying to broaden that now in particular ways, to directly appeal to the public?

We are a British charity, but we are actually an Anglo-American charity with a US board. The US is our biggest donor. From a private fundraising perspective, a lot of our donors have taken a massive hit, in terms of their own capacity to give, and many of them have decided to focus on the domestic situation. I am encouraging them to take that broader, longer view, and to know that the disease respects no boundaries or borders. We’re supported by Prince Harry, and only this morning I got a really nice letter from him saying, “I’d like to salute you for pivoting so quickly to meet the challenges unexpectedly presented by the pandemic.” So it’s getting people who have a public profile, to say that sort of thing publicly – it does change that impression of us.

For more information see www.halotrust.org.

‘The economic effect of COVID-19 will be truly extraordinary, and where economies crash, war very rapidly follows’

For more information see www.sbs.oxford.edu/reputation

WWW.SBS.OXFORD.EDU/REPUTATION 5
Brands guru and business leader Rita Clifton on the strategies required to survive, adapt and rebuild in the post-COVID world, why the future depends on re-humanising companies, and what we can learn from the rise of the ‘saviour’ brand.

THE BIG INTERVIEW: RITA CLIFTON

It seems entirely appropriate that an interview with branding and business guru Rita Clifton about how to build sustainable value in the world after COVID-19 should begin with a Zoom call malfunction. “I don’t know about you,” she begins, when the technology has been brought under control, “but there are certain words and expressions that I never ever want to see again: ‘unprecedented’, ‘uncertain times’... there’s only a certain amount of this stuff that the human spirit can take before you want to put your fingers in your ears and go ‘wah wah wah’.”

Her problem is not simply fatigue, but the suggestion of fatalism, clearly anathema to the woman who has been making waves since she began at Saatchi & Saatchi in the 1980s, where she rose to be strategy director and Vice Chairman, then as London CEO of Interbrand and co-founder of BrandCap. She now divides her energies between various non-executive chairs and directorships – including ASOS, Ascential plc, Nationwide Building Society and Populus – and is also a Trustee of the environmental think-tank Green Alliance (her lifelong interest in environmental issues has also seen her occupy board positions with the Worldwide Fund for Nature and the UK Sustainable Development Commission). “I think it’s really important at times like these not to feel that you are the recipient of some kind of divinely ordained future,” she continues. “The future is dependent upon people doing something about it, to shape it or to reform it. We can provide an evidence base, a spirit, an argument, solutions that can change and shape things.”

A first piece of proactive, practical advice for those companies that can afford it, is that “organisations that hold their nerve and keep on investing through a recession tend to come out in better shape than their competitors”. A more profound one follows, however: protecting your brand isn’t all about spending money. “Good brand management is about everything that you do.” The pandemic has provided an opportunity, even an imperative, for organisations to reassess where they are going and how they are getting there, she says. “We can make things happen, more radical things than we would ever have admitted was possible six months ago. We’ve shown that we can work much faster together, more collaboratively. You can get your people to believe in what they’re doing more, you can get greater clarity about your ambitions and purpose as an organisation.”

She sets out a “survive, adapt, rebuild” formula. The first priority is “looking after your people: ensuring they are well, organised in the right way, motivated, included in conversations about the future”. Next come customers: “You’ve got to love your existing customers and capitalise on new relationships that come about from adaptation.” Above all, listen: “Are you doing stuff that your customers approve of, and are you able to tweak or adapt your business model, even in the short term, so that they’re going to come back to you in a bigger way when you’re in the rebuild phase?”

Adaptation involves both innovating around business practices and models and addressing those questions of corporate purpose and behaviour. “What I think is different from previous recessions and downturns is that we are seeing three-to-five years of customer behaviour, trends and predictions happening in 12 weeks; the biggest scale of acceleration we have ever seen. That immediately demands the question, is our strategy still the right one? Should we be looking at more radical adjustments?” To move to the rebuild phase, “you need to get out your strategy and torture-test it against all of these new insights”.

She has some specific predictions about how business behaviour will change – “more tightly blended on- and offline business models, and a lot more collaborative learning across business”, for example – but the shift she is most interested in is the imperative for firms to identify and live their purpose. Fittingly for a member of the steering group of Oxford Said’s Enacting Purpose Initiative (chaired by our centre director Rupert Younger – see www.enactingpurpose.org), she says: “A big part of the rebuilding is: what are we here for? A lot of fundamental things have changed about people’s beliefs, their confidence or lack of it in leadership, nervousness about the world-at-large.”

Reflecting on the newly energised societal issues, from climate change to Black Lives Matter, she says: “Building back better means frankly not only doing a better job on the things you do every day, and thinking imaginatively about your business model, but also how you are going to reflect how society has changed, from a fairness and inequality perspective. You’ve got to grip those because otherwise you are going to really feel the pressure.”

She sees the challenge as a vital one for business as a whole, given how its reputation has diminished in recent times, and for its potential contribution to the recovery: “If you don’t get people to believe in the power and importance of business, we’re going to lose our licences to operate.”

‘If you don’t get people to believe in the power and importance of business, we’re going to lose our licences to operate’
She nonetheless describes herself as “positive and cheerful”, buoyed up by the best examples of current business, in particular by the potential of what she calls “saviour” brands that are contributing to make the world a better, more sustainable, place from a social, environmental and economic point of view. The clothing company Patagonia is an outstanding example. “They are genuinely putting more things back into the world than they are extracting. You can’t just go on mitigating your footprint on the planet. We need to be repairing.”

Unilever has long been a standard bearer for purpose-led business, and Clifton highlights the fact that its purpose-led, sustainability-focused brands are outperforming others in its portfolio, many of which it is now looking to offload. She also praises BP for its genuine – and costly – commitment to becoming a net zero company by 2050 at the latest. In CEO Bernard Looney, “They’ve got a leader who is committed and honest about the fact that this has to be done in stages.”

Microsoft’s undertaking to be carbon-negative by 2030 and to compensate for all the carbon they have put into the atmosphere by 2050 has also lifted it firmly into the “saviour” category. She is also encouraged by the increased outside pressure for long-term sustainability from investor organisations such as Blackrock and Federated Hermes, and strong recent interventions from regulators such as the Financial Reporting Council.

Ultimately, she hopes to see a different kind of understanding created between business and the public, where businesses are seen “as a human activity… not corporate constructs. There are a lot of people running business who are trying to do the right thing. There might be short-term pressures, but it’s not full of Dr Evils trying to destroy the environment and rip off investors.” For this new understanding to be effective, businesses and leaders have to reflect this humanity. Her imminent next book Love Your Imposter, Be Your Best Self, Flaws And All, has this theme at its core: “It is really about how we need more human beings seen to be running organisations, caring about the stuff that human beings care about, and that means acknowledging that we don’t get everything right.”

Unless there is authenticity behind this effort, however, it will be doomed. “People talk to me about branding in the digital age, as if it’s sexy YouTube videos and social media stunts. But here’s the killer insight about branding in the digital age – you’ve got to be a bloody good business in the first place. What happens on the inside gets to the outside. Everything’s transparent. Businesses need to show fairness in how they treat their own people, that it’s treating customers fairly and well. It needs to be better to be seen to be better. The brand gives you the organising idea to do everything inside in a way that’s going to relate to your people and to customers. Reputation is the outcome.”

‘Here’s the killer insight about branding in the digital age – you’ve got to be a bloody good business in the first place’
We need AI to help the world to recover from the pandemic, but its potential is being hampered by performance and trust issues. The leading futurist Amy Webb identifies some key priorities for organisations who want to succeed in the Bioinformation Age.

**VIEWPOINT: THE REPUTATION OF AI**

Recently I was invited to help a large, telecommunications company with its long-term strategic planning process. With continuous disruption caused by the global coronavirus pandemic, senior leaders needed to recalibrate their vision for the future. COVID aftershocks would affect the economy, global trade and manufacturing, 5G, the transportation sector and public health for the next decade or longer, so the company’s financial models, growth strategies, risk and opportunity assessments, and innovation cycles all needed readjusting. There was an ominous challenge ahead: as a company that managed both infrastructure and the sensitive data passing through it, senior leaders needed to make critical decisions about data, network infrastructure, AI and privacy that would impact the company’s reputation.

In March and April, the telecommunications company was considering a number of new technologies that would aid in getting people back to work. One involved a flying Internet of Things: smart drones equipped with object and face recognition, audio analytics, motion detection and sense-and-avoid systems that communicated with each other in the air back down to a command centre on the ground. Another technology, a smart millimeter wave machine, promised to algorithmically diagnose someone with COVID-19 symptoms. It had a thermal imager and a powerful suite of AI algorithms. In mere seconds, it could scan someone’s heart rate, respiration rate, blood-oxygen level and temperature.

This type of persistent biometric surveillance had previously been rejected by many people, but months of quarantine and a looming recession changed a lot of minds. Reopening meat processing plants in the US meant the overnight adoption of biometric screenings ranging from temperature checks to full-body scans. Officials at Houston’s George Bush International Airport agreed to launch biometric boarding procedures with cameras powerful enough to recognise passengers even if they are wearing a face covering. Heathrow Airport began trials for thermal screening technologies; the data would be shared with the UK government to create a new, Common International Standard for health screening. If there has been one predominant coronavirus aftershock, it is this: a swift, global reversal in public acceptance of ubiquitous biometric surveillance.

‘The algorithms used to recognise faces and predict behaviour are encoded with bias and don’t work well’

Then, on 25 May, George Floyd was killed by a white Minneapolis police officer who knelted on his neck, using his full body weight, for nearly nine minutes. It was the latest in an unforgivably long list of black people who had died at the hands of police in the US.

Overnight, protests erupted across the world. At first, pundits credited warmer weather and a long quarantine for the scale of the demonstrations. Yet they persisted, while an unlikely global coalition formed. Citizens in rural Kentucky, Indiana, and Arkansas organised protests. K-pop fans organised and trained to recognise biometric anomalies—such as a body shape and temperature—misclassify women who wear wigs and women who suffer hot flashes due to the menopause. For many years, biometric recognition systems have been used by law enforcement in spite of these issues, because they promise quick solutions to what are in fact longstanding, systemic problems.
Within a month of persistent biometric surveillance systems going into production, IBM announced it would abandon its facial recognition technology in solidarity with those protesting racial profiling. Two days later, Amazon announced that it would stop police using Rekognition, its powerful facial recognition software, for a year, to give lawmakers time to develop a regulatory framework. Microsoft was next, saying it would pause sales of recognition tech to police, pending federal regulations.

That brings me back to the telecommunications company and its long-term strategic planning process. In just three short months, biometric recognition technology has transitioned from suspect, to acceptable, to essential, to reviled, and the reason has everything to do with reputation. Companies must instill confidence in workers, customers and the market during the coronavirus pandemic – and now, during global protests, they must prove they are on the right side of history. Where does that leave the senior leadership team?

We’ve entered a new Bioinformation Age, a new period in human history characterised by the shift from privacy and personal choice to new social, government and economic structures that require our data to operate. The systems to monitor, learn from, and score us are being built as our society faces a crushing amount of deep uncertainty. When, exactly, a coronavirus vaccine will be available and widely used is still unknown, but some form of recognition technology will be needed to get us all back to work.

How the global protests will reshape society, and whether change will be everlasting, is still unknown, but billions of dollars have been invested in recognition technologies for law enforcement – it’s implausible these systems will sit fallow for long. The fate of regulation, as national governments try to reconcile the desire for public safety with a reality in which algorithms are encoded with bias, could take many years to sort out, and the result is likely to be a patchwork of different protocols and permissions around the world.

In this new Bioinformation Age, the senior leadership team I am advising cannot control all of these external factors. Instead, I advised them to adopt a process to reduce their exposure to risk and public mistrust while making sound decisions for their futures. It’s the same process I would recommend to any public or private organisation right now. Model the downstream implications of your decisions.

Rather than asking the team to speculate, I introduced a simple framework of four archetypes describing the future:

- **Baseline**: assume the future represents your values, resources, and aspirations as they exist today. In the Biometric Age, do your values need recalibrating? Do you have resources (people, capital, infrastructure, AI and privacy in the Bioinformation Age, but they remain flexible in their approach to achieving that future. They are willing to reflect and recalibrate as needed.

In the transformation scenario, the team determined how to collect and safeguard biometric data, who owned customer data, and who could later gain access to it. They identified tactics to audit and remove existing bias in their own datasets and algorithms. They identified a need to hire compliance specialists who understand the complexities of using biometric scanning and scoring systems and they described how leaders would actively listen to the needs of their customers and community, in order to create a state of preparedness.

In the Bioinformation Age, transparency, accountability and data governance are paramount, but few organisations are ready. Resist the urge to wait until a “new normal” emerges. Model next-order outcomes, evaluate the downstream implications of your decisions, and consider how your reputation will enable or prevent you from achieving your desired future. You will find that your organisation is more resilient in the wake of disruption and that you’ve earned the public’s trust.

**‘Biometric recognition technology has transitioned from suspect to acceptable, to essential, to reviled’**

- **Collapse**: assume that the coronavirus continues to spread, protests continue to surge, and societal structures begin to collapse. You must make difficult decisions about how to build and deploy your technology, whether to compete or partner with competitors, and how to mitigate political and economic risk factors, all while maintaining the trust of your customers.

- **Chaos**: assume that another chaotic event occurs, which might result in sudden risk or sudden opportunity. What if your board of directors makes a snap decision to remove the CEO and replace them with a famed AI researcher rather than another business executive?

- **Transformation**: assume that the company is driven to evolve to your preferred future state, where the new norms within your company are anticipation, agility, and an ability to see around corners. Senior leaders have strong opinions about data, network infrastructure, AI and privacy in the Bioinformation Age, but they remain flexible in their approach to achieving that future. They are willing to reflect and recalibrate as needed.

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Trudi Lang and Rafael Ramirez explain how the Oxford Scenarios Programme helps organisations to strategise in the face of rapidly shifting societal norms.

PROGRAMME FOCUS: SCENARIO PLANNING

COVID-19 is likely to change perceptions about what is acceptable in ways that we can only begin to imagine, both for individuals and organisations. Oxford itself has seen a powerful recent example, as the re-energised Black Lives Matter movement gave new impetus to the long-running campaign to remove statues of Cecil Rhodes, the 19th-century businessman and colonialist whose financial gift created the Rhodes Scholarships, from around the city, and to reassess his legacy. In this environment, how best to anticipate the effects of these new norms on one’s organisational reputations and devise strategies to mitigate them?

At Oxford Said we use scenario planning to explore such issues. Scenarios are plausible accounts of how uncertain future contexts could unfold. They enable people to reframe reputational risks and to identify new opportunities and collaborations to help the organisation position well for the future in the face of changing social attitudes, policy changes, economic shifts, new technologies, environmental developments and so on.

Scenarios represent different possible futures of the business environment arriving in the here-and-now of strategy making. Planning with scenarios enables leaders to explore how these contextual factors could reconfigure future values which matter, and how novel relationships with stakeholders may reshape their organisation’s reputation.

Below we outline how executives can develop and use scenarios to assess reputational opportunities and challenges in the post-COVID-19 world.

1. Define the user and use: the scenarios process starts by scoping who specifically the work is being done for and for what purpose. For example, is it the corporate affairs director or the board members or the CEO who is the primary intended user? And how, specifically, will the outcomes of the scenarios work be used by them? This clarity about user and use ensures the scenarios are useful.

2. Scope who is to be involved in the process: the scenarios process provides an ideal opportunity to hold a deep and rich strategic conversation with existing and emerging stakeholders. Involving different groups not only provides valuable insights into how perceptions might change, but also builds new social capital that can contribute to the organisation’s reputations, demonstrating, for example, transparency and inclusiveness.

3. Scan the horizon: explore contextual factors that could impact perceptions and reputations after COVID-19. For example, what might be the role of the state and the nature of relations between the public and private sectors? How might social attitudes shift about what it means to be “a good corporate citizen”? How might attitudes, policy changes, economic shifts, new technologies, environmental developments and so on.

4. Develop scenarios: based on the factors that are deemed to be the most useful in terms of helping the users of the scenarios reframe the post-pandemic world, develop a set of two to three scenarios. It can be useful to spell out what the “ghost” scenario is (the one implied in the current reputation strategy) to ensure the new set of scenarios provide an insightful contrast. The ghost scenario includes the expectations that are currently being made about the future environment and its impact on the organisation’s reputation.

5. Explore emerging stakeholders and/or changes in stakeholder values: using the new set of scenarios, explore what new stakeholders might emerge, and what new values may replace current ones. How might these changes impact one’s reputation in the business environment?

6. Review the organisation’s reputational behaviours, networks and narratives: armed with the new set of scenarios and of the possible changes of stakeholders and values in the business environment, discuss with the users what changes will help position the organisation positively in each scenario and across all of them. Think in terms of robust choices – actions that make sense no matter which of the scenarios might emerge – and contingencies – actions that require more time to judge depending on which scenario is likely to be more dominant.

7. Monitor the scenarios: work out leading indicators or signals that will enable you to understand which scenario or aspects of the scenarios are emerging. This will help inform which actions to pursue and when.

The value of scenario planning is in enabling leaders to learn and reframe their own perceptions of factors that could impact their organisation’s reputation in the future – leading to anticipatory action rather than paralysis, strategic blindness or reactive delays. The scenario planning process itself, especially if conducted in a transparent and inclusive manner, can also directly contribute to the shaping of an organisation’s reputation.

‘The scenario planning process itself can also directly contribute to the shaping of an organisation’s reputation’

Environmental, Social and Governance (ESG) factors be measured and reported? How might the media impact reputations?

Trudi Lang is Senior Fellow in Management Practice, and Rafael Ramirez is Professor of Practice, at Oxford Said. More information at www.sbs.ox.ac.uk/programmes/oxford-scenarios-programme and https://tinyurl.com/ydysv67a.

Oxford University Centre for Corporate Reputation
During crises, trust between employees and organisations is both vital and under strain. **Nicole Gillespie** identifies useful lessons arising out of the global financial crisis.

### RESEARCH FOCUS: PRESERVING TRUST DURING DISRUPTION

Trust is an important resource for any organisation but it is particularly vital during crises and disruption. Trust powerfully facilitates employees to navigate and respond constructively to disruptions and change, and underpins organisational agility and resilience. Management research shows that trust within organisations facilitates cooperation and effective organising, increases employee commitment and discretionary effort, and results in higher quality problem solving and knowledge sharing, and enhanced innovation and performance.

The current crisis is requiring business leaders and policymakers to make rapid large-scale changes to sustain organisational viability, whilst maintaining the capability to scale up and return to business once the pandemic passes. Yet it is during crises and disruption, just when trust is most required, that it is also most threatened. In response to COVID-19, leaders are having to make tough decisions, such as cutting pay, work hours, and laying off workers. Our research shows that the uncertainty and unpredictability of a crisis “jolts” employees out of their habitual ways of trusting, disrupting what is familiar to them and heightening their sense of vulnerability. How can leaders preserve employee trust during such crises and disruption? I answer this question by drawing on our recently published case study research examining the practices that differentiated UK organisations that successfully preserved trust in the wake of the global financial crisis.

We found that employee trust can not only be preserved, but even enhanced, during times of crisis. However, it requires proactively and consistently engaging in a set of three practices over time:

1. **Build a bridge to the future founded on core values and purpose**

   Developing a shared understanding of how the organisation will navigate the crisis reduces uncertainty. This involves openly and honestly communicating with employees how the present crisis is affecting the organisation; the changes and priorities required to overcome these challenges, and how these changes will reinforce and protect the organisation’s established values and purpose, without sugarcoating.

   Central to reducing uncertainty is drawing on and reinforcing the familiar, established foundations of trust within the organisation. These trust foundations are unique to each organisation and include the values, purpose, relationships, practices, structures and processes that built and sustained trust before the crisis. For example, in one manufacturing business, employee trust was based on a unionised culture and strong relationships between line managers, workers and trade unions at the local plant level. These foundations were drawn on heavily in the planning, communication and implementation of changes to navigate the crisis.

2. **Care for and support employees emotionally and practically**

   The second set of practices are about caring for and supporting employees, and helping them cope with uncertainty and ambiguity. This includes working through emotions commonly triggered by crises, such as fear, anxiety and vulnerability. Such emotions can overwhelm and disrupt thinking and threaten ongoing relationships. Creating safe environments, structures and support mechanisms where employees feel cared for and where their emotional needs take priority helps develop coping capabilities and resilience. These efforts are often simple but authentic, such as acknowledging the difficulties and challenges affecting people, being accessible to staff, and taking the time to regularly check in.

   One of the strongest ways to support employees in the wake of a crisis is to protect their jobs. Our research shows that organisations that preserved trust implemented a range of strategies to minimise job losses, including cost-cutting, reductions in pay and work hours, leave without pay, and redeployment schemes. Investing in upskilling and retraining employees during downturns strongly demonstrates support, and has the added benefit of strengthening the organisation’s capability post-crisis.

3. **Empower employees and treat them fairly**

   Consulting employees and involving them in decisions and changes that affect them and treating them fairly gives them a sense of empowerment and control, which in turn enhances engagement, wellbeing and acceptance of change. For example, a UK law firm developed an innovative voluntary scheme called “Flex” that empowered employees to choose from a menu of options to change their work contracts to avoid formal redundancies. One of the most consistent and powerful findings in behavioural science research is the importance of fairness for maintaining trust. In a crisis, this is demonstrated by diligently adhering to fair and transparent processes when making difficult decisions, openly and transparently explaining how such decisions are made, and showing how the pain of these decisions is fairly shared across the organisation.

Nicole Gillespie is KPMG Chair in Organisational Trust at the University of Queensland Business School. She is also an International Research Fellow with our centre. “Preserving organizational trust during disruption”, by Stefanie Gustafsson, Nicole Gillespie, Rosalind Searle, Veronica Hope Hailey and Graham Dietz, is published in Organization Studies (https://tinyurl.com/y97tcono). A practical guide to “Preserving employee trust during crisis” is forthcoming in Behavioral Science and Policy.
While the COVID-19 crisis has impacted many of our activities this term, we have continued to host events online to good effect. In May, our director Rupert Younger chaired the latest meeting of the Enacting Purpose Initiative, (see www.enactingpurpose.org) with leaders from global businesses and organisations, discussing initial research aimed at helping them to authentically enact purpose, linking board objectives to strategy and outcomes.

Our series of R:ETRO seminars that we began last term – Reputation: Ethics, Trust, and Relationships at Oxford – moved online in May and June and generated an impressive level of global engagement. Hosted by our Intesa Sanpaolo Research Fellow Rita Mota and Alan Morrison, Professor of Law and Finance at Oxford Said, they comprised four really stimulating presentations:

Itziar Castello, Associate Professor in Digital Economy at Surrey Business School, discussed “Shaping the new sustainability agenda through online deliberation in COVID times”. A predominant assumption when looking at stakeholder engagement in social media is that emotions mainly polarise discourses, hindering deliberative quality and making impossible the developing of new sustainability agendas. Challenging this assumption, her research shows the importance of understanding the constructive role of emotions in stakeholder engagement, especially when communications online are the only form of engagement.

Iain Munro, Professor of Leadership and Organisation Change at University of Newcastle Business School, discussed his work on “Transformation in networked whistleblowing: counter- hegemony and moral leadership”. The paper on which the seminar was based investigates a number of questions concerning changing practices of whistleblowing, with particular reference to the increased use of networks in this process. It discusses the role of such networked whistleblowing as a form of human rights activism and counter-hegemonic practice, with reference to notable recent examples such as Chelsea Manning and Julian Assange.

Steen Vallentin, Associate Professor in Corporate Social Responsibility at Copenhagen Business School (CBS), and Academic Co-Director of CBS Sustainability, spoke on “Circular economy and the social: self-organisation, planning and trust in industrial symbiosis”. A key insight of industrial symbiosis is that it is difficult to reduce the environmental impact of industrial activities if one considers a company in isolation from other companies. Hence, industrial symbiosis engages companies in collective exchange structures enabling development towards a more circular and eco-efficient industrial system – through physical exchanges of materials, energy, water and/or by-products that turn waste streams into resources. His research in this context is centred on the notion of trust and its functions in industrial symbiosis.

Dorothée Baumann-Pauly, Director of the Geneva Center for Business and Human Rights (Geneva School of Economics and Management), and Research Director of the Center for Business and Human Rights (NYU Stern School of Business), spoke on “Beyond COVID-19: the case for human rights in business”, exploring the role of companies in supporting governments and how companies with a business model that integrates respect for human rights are more robustly prepared to respond and manage the crisis.

The complete seminars can be found at: https://tinyurl.com/ycxtpant.