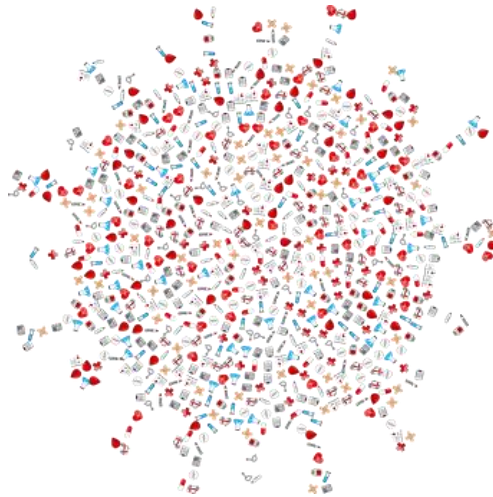


COVID 19 – A Call on Excellence



C-19 is putting excellence to the test. It is teaching social commitment matters most and the bottom line is not everything.

INTRODUCTION - CONTEXT

COVID 19 (C-19) is putting an unfathomable hurt on people, the economy and governments. It is akin to war where the enemy is unseen and potentially everywhere. The front lines are not in a foreign land but here at home in Canada.

Who a few months ago would have imagined sending military personnel into long term care homes to take care of residents. An enemy strikes where one is weakest – revealing systemic shortcomings in long term care.

There is uncertainty, anxiety, and fear. What are we becoming as a society and what will our daily lives look like as the curve flattens and we begin finding our way down the mountain slope and into a new reality?

All are challenged in their capacity and capabilities. All are tested in their “excellence”.

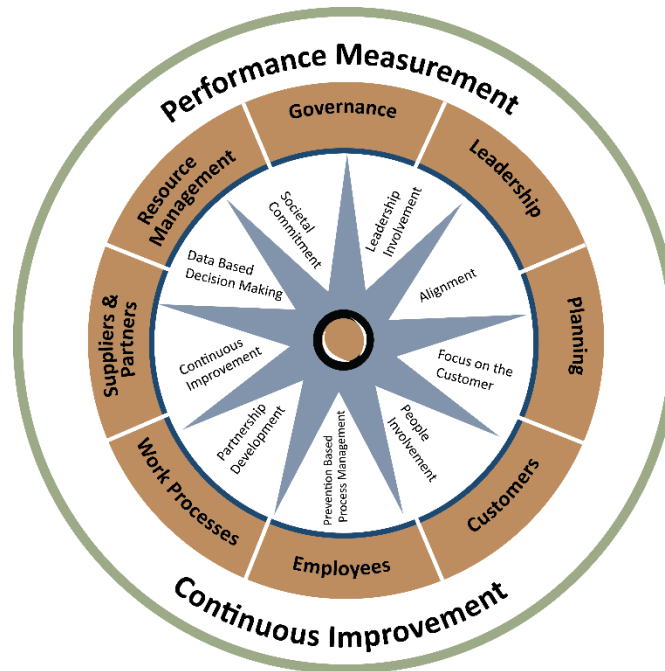
This article focuses on some excellence principles and reflects on what the enemy is teaching.

DISCLAIMER

The ideas presented here are my own and do not represent any organization I am associated with.

EXCELLENCE FRAMEWORK

First the frame of reference; the Organizational Excellence Framework as is the 2010 copyright of Dawn Ringrose.



This framework is robust and useful. The first global assessment reported in April 2019 on the state of organizational excellence was revealing as to strengths and opportunities for improvement in meeting excellence principles.

The excellence framework has elements found in other frameworks. For example, there is similarity with results-based management that integrates strategy, people, resources, processes, and measurements to improve decision-making, transparency and accountability. There is also intersection with quality management. Consider:

- ✓ When ventilators are not working properly – what does this say about excellence in quality control processes from the hospital floor to the manufacturing floor?
- ✓ When testing people for C-19 there have been many false positives and negatives – who is doing the root cause analysis?
- ✓ When the forecast of the demand on hospital beds turns out to be widely divergent from actual experience – what does this say about data quality and analysis in support of decision making?

A VIEW TO VALUES

C-19 is reshaping values

The C-19 experience will very likely reshape organizational culture, social values and the social contract between a people and their government. Mull over these:

- ✓ Is a head of a hospital earning \$700K a year worth the same as ten nurses on the floor earning \$70K a year?
- ✓ Is a CEO earning \$25 million a year plus benefits and stock options worth more than the factory worker turning out food or supplies earning \$60K and the truck driver delivering them?
- ✓ Is paying an athlete \$5 million a year to chase a puck or throw a ball now seem worth it compared to increasing the minimum wage or increasing the numbers and pay of workers in hospitals and nursing homes?
- ✓ The Canadian Football League is looking for a \$150 million federal bailout as the result of C-19. What's the appetite for this now compared to a similar call for help from Canadian farmers?
- ✓ With millions now working from home (thanks to technology) – are employees willing to go back to commuting to work every day?

Then at risk of stating the obvious, the environment clearly responds to economic shutdown and when oil cannot be given away – from clean air in Los Angeles to jelly fish swimming in the canals of Venice. Clean air and water not seen for decades.

SOCIAL COMMITMENT

Social commitment first and foremost

There are nine excellence principles. Number 9 is societal commitment – striving to understand and demonstrate corporate commitment to society. The global self-assessment indicated a fairly high rating of 6.4 out of 10.0 on societal commitment. However, it also found that among the lowest rated practices across key management areas was involving suppliers and partners in development of social and environmental standards.

C-19 is teaching that social commitment ought to be #1. This said, what is the evidence that corporations are good citizens? What are corporations actually doing to lessen poverty (segments of the population most vulnerable to C-19 and poor health generally), to reduce their environmental footprint, to improve sustainable resource consumption, to protect human rights, and to fight corruption?

How well are corporations doing in their environmental, social, and governance (ESG) reporting? Are these honest? Would they stand audit? Or are they largely a public relations and marketing exercise; or as some say “greenwashing”.

ESG performance reporting will likely take on added significance in a post C-19 world. Organizations that **demonstrate social commitment as a core value** are more likely to be seen as value added and have competitive advantage. I hope so.

Finally this thought. Skills in the social sciences may well become an in-demand resource in order to deal with complex ethical and social issues. In addition to pandemics, what about the impacts of quantum computing and artificial intelligence? What about trade-offs in dealing with climate change? If these are not enough, what about ever-growing national debts? Perpetual debt and interest is a force bordering on the mystical. Can national debts be sustained forever – if not, what adjustments are we then prepared for?

LEADERSHIP

<i>In dark times leadership is about character</i>
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Someone once said that war is too important to leave to the generals. C-19 is teaching that leadership is on the ground including doctors and nurses, first responders, home care providers, grocery and drug store personnel, truck drivers, farmers, mailmen, garbage crews and many more – all the people we probably took for granted until now. And not-for profits and “ordinary citizens” are stepping up to the plate everywhere.

Leadership in good times can be seen as reputation that follows in the light of day. In dark times leadership is about character.

For those in position of authority and responsibility, saving lives while avoiding financial system collapse and deep economic recession (even depression) is no trivial or easy matter. It is hard to say there will be deaths and bankruptcies – casualties of war. And bringing us into a “new normal” will be just as much of a challenge as taking us out of normal in response to C-19.

So, what are the characteristics of excellent leadership “from the top” that matter the most when business is far from usual? Consider:

- ✓ What is expected when decisions have to be made with little information?
- ✓ What does a leader do when all options seem equally undesirable?
- ✓ What does a leader say and do when putting people in harm’s way?
- ✓ How do leaders make a mind shift from a “win-win” (we all win!) to “lose-lose” (we all lose something) when fighting a war against a virus?
- ✓ How does a leader react when disruption for change is external and not resulting from planned self-induced change within managerial control?
- ✓ How does a leader make people feel confident about going back to work or school after self-isolation, physical distancing and economic shutdown are lifted? We will all ask is it safe?

Here are ten leadership ingredients I see C-19 calling on at a premium.

- ✓ Competence combined with compassion for employees and customers
- ✓ Being proactive and taking action with imperfect information
- ✓ Choosing sources of information wisely

- ✓ Listening carefully to those with eyes and ears on the ground
- ✓ Not winging it – relying on the team and the experts
- ✓ Communicating early, often and openly at all levels – telling what is known, what is not known, and updating when more is known
- ✓ Being visible and accessible
- ✓ Applying whole system thinking – understanding domino effects up and down a system or process – including supply chains
- ✓ Empowering out of the box thinking, flexibility and innovation
- ✓ Accepting responsibility and accountability for whatever happens.

A leader demonstrating these characteristics is Galen Weston of Loblaws. He has been communicating frequently to PC brand customers about what his company has been doing to ensure the safety of employees and customers and keeping stores stocked – and what customers can expect along with a request for patience and thought-fullness of others. He took action quickly stepping up store cleaning, modifying store hours, installing plastic barriers at checkouts, giving extra pay and time off for employees to rest, setting up control of numbers entering stores to allow physical distancing, giving seniors and medical workers priority access to shopping, increasing support for on-line shopping and curbside pick up, and increasing free home delivery of prescriptions.

Another is Doug Ford Premier of Ontario. He was among the first to close schools, public spaces and shut down the economy (except for named essential services). He publicly explained reasons for action taken based on advice of medical experts. Through the press conferences he shared data he had access to with the public – allowing health officials to tell what Ontario could expect. Ford humbly admitted long term care was neglected far too long. While struggling to get needed personal protective equipment and ventilators, he recognized Ontario was far too reliant on external sources for medical supplies – vowing never again. He recently begun setting out a methodical approach for re-awakening the economy and society.

Andrew Cuomo the 56th Governor of New York State is another example. His state is a C-19 epicentre, New York City in particular. He acknowledged a grim situation and outlined what his administration was doing to deal with it in cooperation with majors and other state governors. He will be remembered for saying – if you must blame someone, blame me because the buck stops here. He may also be remembered for saying – I am open to a national plan from the White House –just tell me what it is. I have a duty the people of New York and time is of the essence. Then the human touch. He hung a tapestry in the State Office made from homemade face masks sent from all over the nation. It will serve as a touch stone for care and compassion for others. Cuomo may be the most popular politician in the USA today.

And a tip of the hat to Bauer turning on a dime from making sport helmets to manufacturing personal protective equipment for health care providers. Not to forget the ingenuity of a Canadian company that found a smart way to develop a C-19 treatment, the company that developed a 15 minute portable C-19 test kit, and the engineering students who found a fast cheap way to convert Continuous Positive Airway Pressure machines into ventilators.

SUPPLIERS & PARTNERS

Partnering when it really matters

Some 150 science labs around the world are partnering or sharing information to find C-19 treatments and a vaccine. Hotels are being quickly converted into hospitals to handle C-19 patients. This is prima facie evidence of the importance of excellence in working together to develop products, services and standards. It is amazing what people and organizations can do when facing a common enemy. New alliances emerge.

GOVERNANCE AND RISK MANAGEMENT

C-19 affords the opportunity to reflect that excellence goes beyond the bottom line

We all know hindsight is 20/20. We also know that countries, including Canada, were ill prepared for C-19. Why? No real answer here.

Hypothetically, let us imagine a year ago at Emergency Preparedness Canada, or Health Canada, or at a Public Health Office or Agency where an analyst suggested Canada increase its inventory of personal protective equipment by 50% at an estimated cost of \$500 million in order to be better prepared for an epidemic.

Now with hindsight, wouldn't a decision to increase stock been gold? Who would be concerned about economy and efficiency except in terms of getting supplies quickly to the front lines? Now Canada is buying from China with Canadian planes having to leave empty when the order does not show up. Then some 1 million medical masks that were received were destroyed because they did not meet standards.

Then, why does it take a disaster or crisis to address a problem or risk exposure? The Exxon Valdez, Deep Water Horizon, 5.6 earthquakes in Oklahoma, the Fukushima nuclear disaster, and the collapse of Wall Street were no accident. Investigations show these were preventable through effective governance coupled with risk monitoring and mitigation.

So what to expect of corporate governance given the 2019 report of the Institute of Internal Auditors and the University of Tennessee on the American Corporate Governance Index – “failure to make the grade”? Let's hope the grade improves during and after C-19.

Then, billions in government aide are quickly going out the door. What about the risk of waste and abuse? Unfortunately, this happened in several countries during past emergency spending when controls were lifted or bypassed. Will Supreme Audit Institutions around the world find similar with C-19? It will be interesting to see what Auditor Generals later report in Canada.

That said, excellence in public administration goes to serving the public interest even when the immediate benefit of spending is uncertain or difficult to attribute, or results cannot be measured.

This bring us back to social commitment – looking beyond the bottom line and self-interest as the prime C19 call to excellence.

Finally, C-19 reminds that we humans are not above and beyond nature. The same message from climate change. It is ultimate ego to think we must “save the planet”. Planet earth is most capable of taking care of itself while thousands of species have come and gone.

In sum, striving for excellence stretches all organizations in all directions to become stronger and better. C-19 is giving the opportunity to do so – but at a terrible price.

Thank you to Dawn Ringrose for the opportunity to write this piece.

About the Author:



Trevor Shaw CPA, CA, CMC, CQA. Trevor has 40 years of experience auditing government programs in Canada. This includes various types of audit while serving as a Principal with the Auditor Generals of Canada and Alberta. He also served as Director General at the Privacy Commissioner of Canada responsible for privacy audits and privacy impact reviews. Trevor is “retired”. He contracts part time with regard to ensuring audit quality. Trevor serves on the Board of the Consumers Council of Canada. He enters the occasional art show selling his oil paintings and is a student in the martial art of Wing Chun. He is married with two children and five grandchildren.