



From controlling to coaching: How will you lead in an age of turbulence?

With the COVID-19 pandemic charging toward them, companies had little choice but to lunge into the future. By accelerating their use of technology and integrating automation tools, they formulated new ways of working, innovating and insulating their businesses to whatever extent they could.

As participants in a forced experiment, finance executives had to conceive quick strategic pivots, rethinking fundamental elements of the company's operating model and assessing the tradeoffs necessary to increase flexibility. They swerved away from some investments, such as real estate and business travel, steering resources instead into remote tools, collaboration software, and cloud computing to position their companies to

capitalize on emerging opportunities.

Now, with companies starting to bounce back from the pandemic, CFOs can see all-too-clearly how much their duties—and their teams—have changed. In Deloitte's North American [CFO Signals™](#) survey for the first quarter of 2021, for example, slightly more than three-quarters of CFOs expect more of their finance work will be completed remotely post-pandemic. Moreover, nearly one-quarter expect to have fewer finance staff internally, and 21% expect more outsourced finance services post-pandemic.¹

To thrive in this changed environment, CFOs will need to equip their teams—and themselves—with the tools to boost preparedness. For example, when asked

in the survey which one particular skillset or expertise would they choose to bolster their finance team, finance chiefs overwhelmingly cited data analytics and forecasting.² And while CFOs have been called upon to meet higher demands this past year and, in many cases, take on broader responsibility, it's clear that those demands and responsibilities may evolve even further as work is reimaged.

In *Work Disrupted: Opportunity, Resilience, and Growth in the Accelerated Future of Work* (John Wiley & Sons, 2021), Jeff Schwartz, a founding partner of Deloitte Consulting's Future of Work practice, challenges executives to commit to acquiring the outlooks and skills they'll likely need in this volatile, complex, and ambiguous environment.³ And in this edition of *CFO*

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Insights, we'll leverage his takeaways to explore how finance leaders can break away from mindsets that may have resulted in static, predictable environments and embrace new leadership capabilities that borrow from different disciplines, such as psychology, design, and cultural anthropology.

Instructions not included

As the post-COVID-19 economy takes shape, executives are shifting their focus away from optimizing and redesigning work. In the **2021 Deloitte Global Human Capital Trends** survey, more than 60% of the 6,000 business and HR executives who responded said that they would focus instead on reimagining work going forward—compared to just 29% before the pandemic (see Figure 1).⁴

For CFOs, that means shifting their mental models away from areas like optimization, control, and workflow—where they might have focused pre-pandemic. Instead, they need to confront the strategic choices ahead of them: how best to build an adaptive and flexible workforce and workplace. Pivoting beyond the social, economic, and healthcare crises, they need to remake themselves into transformational

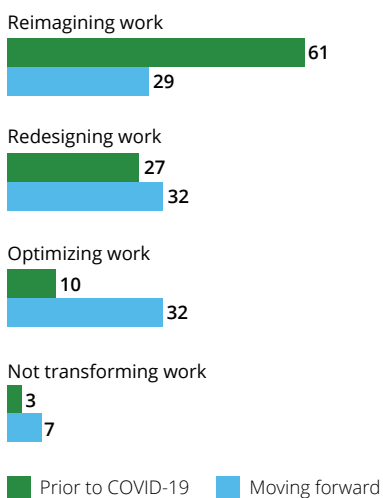
leaders, committed to both communicating, and listening to, employees.

They also need to reimagine work on a continuous basis. While the COVID-19 pandemic may have propelled organizations five or 10 years into the future, it's not as if leaders can now exhale, taking time to get acclimated to the changed business environment. New challenges—driven by a still-dizzying pace of change—will continue to present themselves, from the need to forge successful collaborations between humans and artificial intelligence (AI) tools to the imperative to oversee an ecosystem of workers, encompassing many different permutations of gig work. (See sidebar, "Fast forward: What does the future of work really hold?")

Driving deep change across the enterprise, however, means identifying and acknowledging the barriers that often add complexity. CFOs and other senior executives need to commit themselves to trying to resolve the tensions that lurk just beneath the organization's surface. That means mitigating the five following "embedded tensions and paradoxes" that typically make effective leadership much more difficult in this environment:⁵



Figure 1: How do leaders view work post-pandemic?
Work reimagination is critical to future success.



Source: 2021 Deloitte Global Human Capital Trends, Deloitte Development LLC, December 2020.

- 1. Revitalization versus normalization:** In the wake of the pandemic—which fed workers a steady diet of change and uncertainty—employees are likely to have become “change weary.” Thus, leaders find themselves in the conflicted situation of appealing for revitalization from those who yearn for normalization. One of the problems that employees face is that a change initiative often morphs into multiple change initiatives, and seldom are these initiatives coordinated or accompanied with the context required to make sense out of them.
- 2. Globalization versus simplification:** It’s increasingly true that doing business today means doing business globally, but the complexities brought on by globalization often are in conflict with the need for organizations to make it simple for customers to do business with them.

- 3. Innovation versus regulation:** Many leaders struggle with the tension between the desire to boost innovation and the need to operate under regulation, which tends to tighten in the aftermath of a recession.
- 4. Optimization versus rationalization:** Leaders are caught in a seemingly endless struggle to reconcile the tension between optimizing benefits to customers while rationalizing their costs of doing business. The pandemic changed customers’ expectations—for good, in most cases—leaving the issue of providing better, faster, cheaper, and increasingly customized solutions at the doorstep of the finance function.
- 5. Digitization versus humanization:** Leaders are working to reconcile the increasing need to integrate digitization while also trying to create organizational climates that have an authentically human sense of purpose and collective ambition (see Figure 2). Advanced technology, such as AI, is at the core of virtually every company’s business model today. Entire value chains are being digitized. Yet, the onset of ubiquitous digitization is occurring at the same time that individuals are yearning for a sense of meaning in their organizations.

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With each of these paradoxes, leaders need to demonstrate courage by openly acknowledging awareness of these challenges in all of their complexity. Validating employees' feelings of change fatigue, for example, can be the start of a necessary dialogue about how to move forward together. Embracing these tensions may make the mission ahead much more complex, but it also conveys clarity and purpose.

Model roles

Once they know the seen and unseen barriers they are up against (see Figure 2), CFOs and other leaders should consider a multifaceted approach that includes proactively designing the future and understanding the psychology and human dynamics of complex teams.

Just as the future of work will involve forming teams from different combinations of people and machines, so should leaders consider leveraging traits from such far-flung fields as those that follow, shifting from controlling to coaching, gaining increased comfort with technology and data, and learning to navigate comfortably through ambiguity and risk.

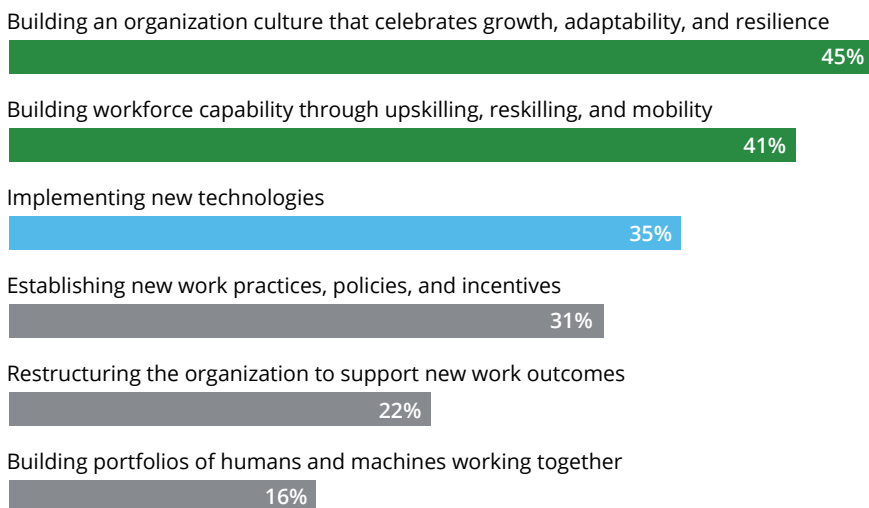
- **Lead like coaches: focusing on long-term development.** Coaching stresses

improvement and progress, zeroing in on what individuals are *capable* of doing—not just what they have done. Rather than investing their one-on-one time with employees in assessing their past performance, leaders might find it useful to focus on the future. No doubt it can be valuable to measure and reward performance, but the brief, regular, check-in conversations shouldn't neglect near-term work and long-term development opportunities. That way, managers act as coaches for talent, and not just talent scouts.

- **Lead like psychologists: nurturing mindsets that thrive in challenging times.** The archetype of the rational, calculating decision-maker—often attributed to spreadsheet-clinging CFOs—may accurately describe trained statisticians. But real-world executives, often confronted with uncertainty or incomplete information, typically apply their best judgment. That means estimating probabilities, an undertaking that can be distorted by biases. Behavioral economists have discovered that humans deviate in identifiable ways from the economic models.⁵ As a result, such departures from perfect rationality can be anticipated and recognized.

- **Lead like cultural anthropologists: breaking down silos of the mind.** Anthropologist Gillian Tett has explored the undermining effects of silos in companies.⁷ The silos she's referring to aren't necessary functional, however; what she defines as a silo is when different parts of an organization do not communicate with one another or share information. There are also “silos of the mind,” as she calls them, which are the mental categories into which people slot things—preventing them from seeing the connections that give them a fuller understanding of some situations. Leaders need to start training and developing managers to think like anthropologists, lest their rigidity blind them to risks and opportunities.
- **Lead like designers: curiosity, creative thinking, collaboration.** Design thinking is a methodology that has succeeded in the field of designing products and services. This approach to innovation encourages reframing, creative thinking, experimentation, curiosity, and collaboration. Companies that use it typically engage in rapid prototyping before rolling out a product.⁸ As a leadership tool, design thinking has helped businesses solve problems by focusing on collaboration and creativity. Leaders can also leverage the technique to find new ways to guide teams, uniting cross-company perspectives to find innovative solutions.
- **Leadership in the digital age: new tools make for changed work.** Accelerated by the COVID-19 pandemic, the digital economy has continued to explode, releasing shards of disruption in all directions. Many business leaders and managers have had to reassess the merits of traditional hierarchical structures and the meaning of effective leadership. Waves of technology, ranging from robotics to AI, continue to have important implications for culture. Fueled by self-awareness, executives face the challenge of designing the future, if not quite managing it. Rigid strategic planning, as time-honored as it once was, is gathering dust like so many co-working spaces.

Figure 2: What are the most important actions you are taking or will take to transform work? Companies cite competing priorities in meeting the future of work.



Source: 2021 Deloitte Global Human Capital Trends, Deloitte Development LLC, December 2020.

Fast forward: What does the future of work really hold?

The future's not ours to see, of course, but it's safe to speculate about what's ahead. Or is it?

The COVID-19 pandemic propelled businesses as much as a decade into the future—and into less familiar terrain than they might have expected. In *Work Disrupted: Opportunity, Resilience, and Growth in the Accelerated Future of Work*, author Jeff Schwartz (with Suzanne Riss), principal, US Future of Work Leader, Deloitte Consulting LLP, presents several examples of how some oft-repeated predictions—even if they appear to be based on logical assumptions or solid research—can gain momentum while growing distant from reality. Here are a few examples:

- **Forty-seven percent of jobs will disappear by 2023.** The most frequently quoted statistic about the future of work is also among the most widely misinterpreted. Its origins date back to a 2013 academic paper written by two Oxford University researchers who analyzed the US labor market, by job code, using a machine-learning algorithm to determine how easily tasks within 702 jobs could be automated.⁹ Their conclusion: machines could perform *some* tasks and functions within 47% of US jobs over the next decade. Despite efforts to clarify their findings, the calculation took on a life of its own, supporting the narrative that humans and machines will be locked in an adversarial relationship.
- **The majority of workers feel unprepared and anxious about the future of work.** More than half (54%) of big-company employees will need upskilling by 2022, according to a 2018 World Economic Forum report.¹⁰ That finding drew attention to how many may feel their jobs are at-risk, thereby cementing their collective dread about the future. In fact, those whose jobs are most at-risk are employees who receive no retraining at all. And a 2019 survey found that many workers feel more adaptive and optimistic about the future than their managers realize.¹¹ They actually see opportunity in change.
- **The gig economy is fast transforming work into an isolated, detached experience.** The rise of alternative work arrangements could have a profound impact on workers' psyches, causing them to feel disconnected not only from other employees, but also from a shared goal. A 2016 study found that 94% of the new jobs created in the US between 2005 and 2015 were "alternative" work, including freelancers, temps, contractors, and gig workers.¹² The findings underscored perceptions—and fears—that job growth was dominated by impermanent positions that paid less, lacked benefits, and were not secure. In 2019, however, the authors modified and reweighted their data, revising down their original numbers.¹³ The gig economy phenomenon, it turns out, is growing at an incremental rate. In the meantime, of course, the pandemic has forced many employees to get used to working remotely, without reporting to a central office—giving them a taste of the future, perhaps.

While the pandemic may have propelled organizations five or 10 years into the future, it's not as if leaders can take time to get acclimated to the new environment.

For CFOs who have served on the frontlines throughout the pandemic, improvisation and experimentation have become standard strategies for locating new sources of value—within the company and within their own jobs. The post-COVID-19 future is more than continuing acceleration: it represents disruption across all dimensions of work, workforces, and workplaces.

Leaders who recognize these changes will drive business performance by combining new mindsets with existing ones. They will also seek to develop future finance leaders with such new combinations of capabilities. Over the past year, COVID-19 may have pushed ahead a decade's worth of changes, accelerating the inevitable. Some will stick, others may not. But for business leaders, this time, there's no turning back.

End notes

- 1 [CFO Signals™: Q1 2021](#), What North America's top finance executives are thinking—and doing, US CFO Program, Deloitte LLP, March 2021.
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