



Agile Leadership: Five Capabilities Needed in the Post-COVID-19 Era

By Rusty Sherwood and Sara Tshakis

Learn from industry leaders on how you can start building agility today to position your company effectively for future “black swan” events like the global pandemic.

Capturing how the world has changed since the beginning of 2020 may require a Ph.D. in euphemisms. Between a pandemic and a social crisis around equality, the unprecedented level of uncertainty is indescribable. The last few months have been challenging for everyone, and the engineering and construction (E&C) industry and its leaders have not been spared. We interviewed a few of the industry’s most agile leaders to understand how they responded to what they call the “Great Fog of 2020.” Our goal was to uncover how they adapted to the new normal. We were also curious about their experiences or, more specifically, about their biggest challenges and what, if any, silver linings they could find.

In recent months, these leaders faced struggles in various forms, and one of the most salient ones was by far the *unprecedented* level of uncertainty. “In past recessions, we usually *think* we have an idea of what’s about to happen later,”

says Pete DiMaggio of Thornton Tomasetti. “This time, we really have no idea. The fog isn’t lifting.” This is amplified by the fact that everyone is on edge, and that stress shows up in different forms. It can be difficult to make sound decisions in a complex situation when everyone is acting unpredictably.

Agile Leadership Behaviors

Responding to increasingly volatile, uncertain, complex and ambiguous (VUCA) environments requires leadership and organizational *agility*. We define agility as “the ability to quickly and successfully respond to changes in the environment.” Our previous research indicated that agile leaders tend to possess these five competencies:

Learns Quickly

- **Highly curious** about trends and the competitive landscape.
- **Keeps himself/herself** informed about anything that could impact the organization's strategy.
- **Understands complex topics** quickly.
- **Readily acquires new knowledge** and skills and shares anything relevant to the organization's goals immediately.

Demonstrates Resilience

- **Rarely gives up**, even when he or she encounters new, unfamiliar or unanticipated challenges.
- **Learns from his or her mistakes** and maintains a high level of awareness of his/her own strengths and limitations.
- **Embraces new opportunities** and calculated risks and pursues new goals with energy.

Empowers Others

- **Recognizes the big picture**, sees the path to getting there, and communicates it effectively.
- **Inspires others by encouraging** a culture of innovation, collaboration, high standards and speed.
- **Delegates** the appropriate level of decision-making authority and empowers others to take initiative. Increases others' level of responsibility to accelerate learning.

Leads Change

- **Maintains constant awareness** of situations or opportunities that could require change.
- **Advocates for making changes to improve organization** and is able to implement lasting changes in an inspiring way, by exemplifying adaptability and flexibility.
- **Clarifies the purpose** of the changes by setting clear direction.
- **Creates buy-in** by understanding and engaging key stakeholders.

Thinks Strategically

- **Focuses on the big picture** and makes the best possible strategic decisions by relying on a balance of data, experience and intuition.
- **Maintains constant awareness** of industry trends so that strategy can be promptly adapted when needed.
- **Encourages innovation and risk-taking** to solve business problems and respond to environmental shifts.



Most leaders in the Built Environment demonstrate these competencies to some extent. By its very nature, the industry requires leaders to be scrappy and solve complex problems quickly. Through interviews, we found that three of these competencies ranked as most important when dealing with the pandemic/social crisis combination of 2020. Those who demonstrated a higher degree of proficiency in their ability to **empower others, lead change and think strategically** were the ones who adapted the most quickly.

According to our interviewees, quick actions had positive impacts on revenue and the health and safety of employees. Jim Kilpatrick, president of Fortis Construction, describes how these three competencies worked together: “Empowering others has been the most important for us. You realize that as a leader, you don’t have the capacity to handle it all; so the only way to survive was to let go and let others make things happen and honor their decisions. Empowering others created capacity that allowed the executive leaders to think strategically. After the tactical quick response stuff was under control, we then broke off to focus on the plan ahead.” The ability to learn quickly and to demonstrate resilience, on the other hand, felt like table stakes in the recent events—most leaders thought—and didn’t make as big of an impact on results.

Empowering Others

If there was one key differentiator on how well a business pivoted to success in this new environment, it was the ability of top executives to empower others. In an industry traditionally based on a command-and-control structure, leaders can’t always let go and allow others to make decisions. But when the influx of information is

dizzying, maintaining full control over an organization significantly slows response times. Put simply, there is just no way to digest and interpret everything in enough time to react quickly.

For Lee Slade, senior principal and chairman of the board with Walter P Moore, deciding at the corporate level what a COVID-19 response would look like for each office didn’t make sense. Instead, its executive team pushed down decision-making to local leaders who were atop quickly changing local situations, while providing high-level guidance that ensured actions were aligned with companywide goals. For Kilpatrick, it meant bringing in one more layer of site leaders to be part of a companywide decision-making process, reaching further down than is normally done. Finally, Plant Construction’s CEO/president Chris Rivielle relied on field leaders who were part of the company’s Leadership Council (composed of senior superintendents) to lead the firm’s response and ensure safe and productive work in the field. In all cases, empowered leaders made decisions that felt right for their regions or markets and freed up time for top executives to think strategically and focus on what’s next.

The most challenging aspect of empowering others is letting go of control and trusting that leaders will make the right call. This can’t happen if you haven’t intentionally developed local or field leaders to be able to make the right calls. It requires time and focused efforts to set direction and equip those local leaders with facts and data that enable sound decision-making. Empowering others is a tricky competency that requires many things to be set up in advance. In absence of this foresight, empowerment can’t



happen in a meaningful way. In addition to having the right talent in the right seats, the structure must be stripped of unnecessary red tape, and the company's guiding principles must be clarified.

Striking a Balance: Slowing Down to Move Fast

Don't confuse agility with impulsivity. While both involve quick decision-making, the difference lies in the ability to adapt *successfully* to the environment, which often starts with *slowing down*. With special ops military leaders, the mantra "slow is smooth, and smooth is fast" is foundational to leading under uncertainty and high stress. Several of the leaders interviewed highlighted (back in March) the importance of slowing down to fully understand the situation and its implications on their businesses.

As Mike Squarzini, Co-CEO of Thornton Tomasetti, points out, it would have been easy to look around and follow suit in a *downsizing effort* because that is what others were doing. Instead, his team took time to look at the data and understand its implications within the specific context of his business. As a result of the slowdown, it secured the financial aspect of the business and then left it to local/regional leaders to decide whether or not reductions in force were needed. In the end, taking ample time to make decisions is still faster than making the wrong decision and having to go back to fix your mistakes.

"Making a bigger change early helps avoid incremental additional changes later." This is how Josh Sherfield, CEO of Quiring General,

approached health and safety measures. Instead of adhering to the minimal CDC guidelines (which were becoming stricter by the week), he pushed safety to its maximum. As a result, he avoided overwhelming the staff with constant changes and allowed time to focus on other important issues.

It's difficult to slow down during normal times, but it feels quasi-impossible to do so during times of crisis. It seems absurd for leaders to spend several hours *thinking* every day, when there is so much to do. However, there are tremendous benefits in taking time to just think. For example, Kilpatrick spent two hours every day thinking and crafting thoughtful communication in the form of a newsletter to his troops. This exercise forced him to remain laser-focused on the [*Stockdale Paradox*](#) (maintaining unwavering hope while confronting the brutal facts) and put his thoughts on paper. The resulting letters not only brought him clarity, but also built a deep sense of connection with all staff. It also helped the staff better understand the company's potential while maintaining an awareness of the tough times ahead.

During an all-encompassing crisis like the one we're dealing with right now, survival is top priority, and planning for the future is difficult. Trying to focus on the present and the future all at once is like putting "a microscope up to one eye and a telescope up to the other, you just get a headache."¹ The leaders interviewed all separated the efforts to address the *here and now* and the *future*, whether it's through separate task

¹ "Emerging From the Crisis." HBR. July 2020.

forces or by first securing the business and *then* tackling the long term. These interviews (and [our previous research](#)) found that leaders who spend time working on the business during a recession come out stronger. What we also found is that despite flexing significantly, leaders interviewed kept one thing unchanged: their company's core.

Agility Requires Core Stability

One of the most misunderstood aspects of agility is that while it requires adapting to the environment, the *core* of the business must remain the same. Being agile isn't about a full transformation every time there's a shift in the market; it's about adapting while staying true to who you are and what you stand for as a company. All leaders interviewed explained that their core values stayed at the forefront of every decision made since the beginning of the pandemic. If they stood for protecting their people first, for instance, then they were quick to send people home (even if they didn't have all staff members set up to work remotely). "We did this so quickly that we ended up sending people home in cabs with full-size desktop computers and monitors because their health was our No. 1 priority," says DiMaggio.

Quiring General's focus on customers allowed it to stay closely connected to clients, even if it meant offering help and empathy to the very clients who reduced their revenue by pausing projects. For all leaders interviewed, the core values were the lighthouses guiding them through a heavier than usual fog.

One common denominator across all of the leaders we interviewed was significant time spent building a great organization when times were good. They had clarified their core vision and values and developed their leaders at all levels. Once things started unraveling, they

were ready to engage and leverage an already agile organization to respond. Here's how you can emulate their success strategies in any business environment:

- 1. Check Your Core Values.** Most companies have core values, but they're not always useful. Evaluate yours, confirm their authenticity and start reinforcing them. Take a hard look at your recent decisions—are they in line with your values? If not, the values are either not the right ones or not integrated in decision processes.
- 2. Evaluate and Invest in Your Bench of Agile Leaders.** Review the five agile competencies and take a hard look at your bench of leaders across the company. Do they possess at least some of these behaviors? Are these behaviors evenly distributed across managers and leaders in the company? And how can you start investing in the development and strengthening of these critical competencies?
- 3. Set the Stage for Empowerment.** Do you have leaders who are empowered to make decisions? If not, start exposing them to strategic discussions and make sure they clearly understand the vision. Establish a way to share data with all your leaders. If they're equipped with the right data, they can make the best decisions.
- 4. Separate the Microscope and Telescope.** Create task forces independently focused on *present* and *future*. One goes deep on internal data while the other analyzes macro future trends (i.e., unemployment and medical advances like vaccines).

5. **Don't Wait to Enact Change.** If you've been putting off making important changes to your business, just go for it. The current situation accelerated change initiatives, but those firms that were ready to pivot quickly are now well ahead of others.

Dealing with a crisis doesn't mean that you have to bring all business improvement endeavors to a halt. Despite all of the uncertainty, one thing that we can be sure about is that the likelihood of future black swan events like COVID-19 is high. Nothing keeps us from building our agility today so that we're able to fend off future instances more effectively.

Leaders who contributed to this article include:

Pete DiMaggio and **Mike Squarzini**, Co-CEOs, Thornton Tomasetti

Lee Slade, Sr., Principal and Chairman of the Board, Walter P Moore

Jim Kilpatrick, President, Fortis Construction

Josh Sherfield, CEO, Quiring General

Chris Rivielle, President/CEO, Plant Construction



Rusty Sherwood is a principal with FMI's Leadership & Organizational Development practice. Rusty specializes in strategic thinking and the means and methods by which senior leaders and their teams develop the competencies to lead enduring high-performance organizations. He can be reached via email at rsherwood@fminet.com.



Sara Maude Tsahakis, Psy.D., is a consultant with FMI's Leadership & Organizational Development practice. She helps build exceptional leaders by researching and applying the latest trends in the science of leadership development. She brings a deep understanding of the intricacies of people and organizational development. She can be reached at stsahakis@fminet.com.

Exclusively Focused on the Built Environment

Who We Are

FMI is a leading consulting and investment banking firm dedicated exclusively to the Built Environment.

We serve the industry as a trusted advisor. More than six decades of context, connections and insights lead to transformational outcomes for our clients and the industry.

FMI CONSULTING

FMI Consulting has a deeper understanding of the Built Environment and the leading firms across its value chain than any other consulting firm. We know what drives value. We leverage decades of industry-focused expertise to advise on strategy, leadership & organizational development, operational performance and technology & innovation.

FMI CAPITAL ADVISORS

FMI Capital Advisors, a subsidiary of FMI Corporation, is a leading investment banking firm exclusively serving the Built Environment. With more than 750 completed M&A transactions, our industry focus enables us to maximize value for our clients through our deep market knowledge, strong technical expertise and unparalleled network of industry relationships.

PRACTICE AREAS

Strategy

- Market Research
- Market Strategy
- Business Development
- Strategic Planning

Leadership & Organizational Development

- Leadership & Talent Development
- Succession Management
- High-performing Teams
- Corporate Governance
- Executive Coaching

Performance

- Operational Excellence
- Risk Management
- Compensation
- Peer Groups

Technology & Innovation

- Market Accelerator
- Partner Program
- Tech Readiness Assessment
- Sourcing & Adoption

SECTOR EXPERTISE

- Architecture, Engineering & Environmental
- Building Products
- Chemicals
- Construction Materials
- Contractors
- Energy Service & Equipment
- Energy Solutions & Cleantech
- Utility Transmission & Distribution

SERVICES

- M&A Advisory
- ESOP Advisory
- Valuations
- Ownership Transfer

EXECUTIVE EDUCATION

- Acquisitions in the Construction Industry
- Ownership Transfer & Management Succession



for the Built Environment

TRAINING PROGRAMS

Over 10,000 industry leaders have completed FMI training programs, which span the entire management spectrum, from new managers to senior executives.

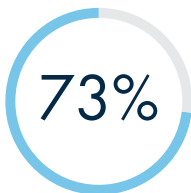
- Emerging Managers Institute
- Field Leader Institute
- Project Manager Academy
- Construction Executive Program
- Leadership Institute
- Leading Operational Excellence
- Construction Selling Skills
- Market & Selling Strategies
- Ownership Transfer & Management Succession
- Acquisitions in the Construction Industry

FMI PEER GROUPS

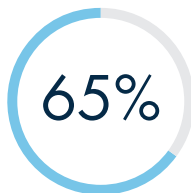
FMI manages nearly 50 individual peer groups across the industry. Connecting businesses through networking, expanding visions and providing feedback.

- Organizational Structure and Development
- Human Resources
- Business Development
- Information Technology
- Operations Management
- Financial Management

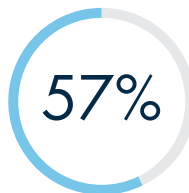
FMI CLIENT HIGHLIGHTS



ENR Top 400
**LARGEST
CONTRACTORS**



ENR Top 200
**SPECIALTY
CONTRACTORS**



ENR Top 100
**DESIGN
FIRMS**



ENR Top 200
**ENVIRONMENTAL
FIRMS**



ENR Top 100
**CM FOR
FEE FIRMS**



for the Built Environment

Denver

210 University Boulevard
Suite 800
Denver, CO 80206
303.377.4740

Houston

1301 McKinney Street
Suite 2000
Houston, TX 77010
713.936.5400

Phoenix

7639 East Pinnacle Peak Road
Suite 100
Scottsdale, AZ 85255
602.381.8108

Raleigh (headquarters)

223 S. West Street
Suite 1200
Raleigh, NC 27603
919.787.8400

Tampa

4300 W. Cypress Street
Suite 950
Tampa, FL 33607
813.636.1364

WWW.FMINET.COM