



Post-pandemic recovery:

How enterprises plan to bring about change for good



Introduction:

What will businesses achieve in this new world?

When you began your new year, 2020 lay open ahead of you. It was exciting and tangible. Yes, in the UK, there were questions around the changes needed to leave the EU, but businesses were beginning to plan for how they could make their futures bigger and better.

None of us could have predicted the radical changes that have been brought about by the COVID-19 pandemic. Across the world, we're experiencing unprecedented change, and you, our business leaders, are having to make brave and bold decisions.

Alongside the horrendous effect this virus has had on our health, and the way of life that we took for granted, we're now experiencing the sharpest, fastest economic contraction in the three-century history of Bank of England records¹.

Although there is much debate over how quick the financial recovery will be, it's clear that the agenda for businesses in the UK has

been shaken up. Corporate responsibilities have understandably needed to turn inward to protect employees and vested interests. However, the world hasn't stopped turning while we've been in lockdown.

Without as much human influence on emissions, we've seen staggering signs of environmental recovery. Clean canals in Venice, dolphins in Cagliari and swans in Milan. Across the globe, the air is currently less polluted because of the drop in greenhouse gas emissions². Here in the UK, we've been enjoying clearer skies and birdsong like never before. In the near future, there's every opportunity for a green recovery alongside an economic one.

¹
²

BBC, Bailey: Coronavirus bounce back 'could be fast', 7 May 2020
Nature, Temporary reduction in global CO2 emissions, 19 May 2020

In the past, leaders of innovative, sustainable businesses have said how much more they'd like to do, but claim they cannot because they are only given limited mandates by their investors, by policy makers, by their customers or by their personal motivation for profit.

But we know it doesn't have to be that way. A year ago (June 2019), the UK Government announced a commitment (backed by legislation) to achieve net zero carbon emissions by 2050. And in December, Drax – our parent company – was the world's first organisation to declare its aim of being carbon negative by 2030.

We know that many other companies have set their own goals and started their journeys towards improved sustainability. But with a new health crisis thrown in our path, we wanted to understand the additional pressures businesses are now facing, as we all try to find our way in the post-COVID-19 world.

"The world has not stopped turning whilst we have been in lockdown."


Our planet. It's all of our business

This white paper deep dives into the data of business leaders, like you. The research is formed by responses from 1,251 business leaders across all business sizes and sectors. In this report, we focus on the responses from those who own or are senior decision makers within large corporates (otherwise termed enterprise sized businesses) with over 1,000 employees.

The aim of this white paper is to better understand how we can all navigate the consequences of this pandemic. We all need to look towards the future. At Haven Power, we aim to help you harness the commitment you've shown, work with you to reduce carbon emissions – and address the barrier of perceived cost – to realise the potential for positive change in this new world we're now in.

Paul Sheffield, Managing Director



A child is standing on a small wooden stool, reaching up to a shelf where several cardboard boxes are stacked. The child is wearing a light-colored shirt and shorts. The background is a gradient of blue and green, with a wavy white line at the bottom. The quote is written in a large, white, cursive font.

*“We choose
to go to the
moon, not
because it
is easy, but
because it is
hard.”*

John F Kennedy

Chapter 1:

Business leaders bite into big change

Levelling up: The benefits of facing change in 2020 and beyond

When faced with challenges and uncertainty, our bodies and minds are hardwired with natural reactions. Fight. Flight. Freeze. Taking flight or freezing on the spot is understandable as an initial reaction, but if businesses are to survive then the reaction to fight is needed.

One of the most interesting data points in our research has been that our leaders are prepared to make the changes needed to face the challenges in the short and long-term. As many as two thirds (66%) of large corporate business leaders surveyed agree that their own leadership requires a greater degree of bravery to make bigger/tougher decisions, and that the bold decisions made by high profile leaders during the pandemic have made them consider their own levels of decisiveness.

One of the first decisions impacting all business leaders was to ensure employees

(key workers not withstanding) moved from workplace environments to working from home. We'll explore this a little more in the next section, but from a leadership perspective, it's a fantastic example of the benefit of fighting for survival.

A third (30%) of enterprise business leaders see that working from home has challenged their leadership styles for the better, and 24 percent see positives in how it's challenged the leadership skills of team members. Other positive behavioural effects include 36 percent reporting their teams being more open about how they feel, teams are now less formal with one another (36% also) and communication has become easier (27%).

Almost three quarters (73%) of large businesses say the COVID-19 situation has made them value their staff more, and 85 percent feel that the pandemic has made them pay more consideration to the welfare of their staff.

Reflective of responsibilities held by the leaders surveyed, attention to the welfare of staff increases as job level progresses across all business sizes: starting with 32 percent of senior managers, then to 40 percent of directors, 44 percent of C-levels, and 46 percent of owners saying they had paid a lot more attention.

Previously leaders may not have considered it a concern, but now 41 percent view the mental wellbeing of their teams as important for the future of their businesses, and their top concerns include the negative effects of isolation on their teams (31%) and colleagues missing one another (31%).

Almost three quarters (76%) of these leaders report their attitude to working from home has changed for the better, versus 20 percent who view the change negatively.

Both leaders and their teams have, on the most part, found favour in seeing their families more, avoiding commuting, and gaining more hours in the day.

The top benefits of working from home were:

Upheaval of attitudes: Where has working from home taken us?

Those concerns are reflective of the new normal where most of the labour force had to - and may well continue to - work from home. Having been urged to by Government, in the weeks leading up to the announcement of lockdown measures from 23 March 2020, we were asked to stay safe, and stay home. Before this, only five percent worked mainly from home, although 27 percent had experienced working from home.

In our survey, we asked how working from home has changed the attitudes of business leaders in large corporate companies.

	Felt personally	Felt by their team
Seeing more of the family	49%	44%
Not having to commute	48%	30%
More hours in the day	38%	39%

Where it's been viewed negatively, this was due to concerns around lack of productivity, inefficiencies when not face to face, and distractions within the home, including unstable internet access.

Leaping forwards: Braver business decisions

When it comes to making the big decisions for enterprise-sized businesses, there's a clear divide: 45 percent of leaders feel they can make the big decisions on their own - and perhaps always could - but 34 percent feel that since the pandemic, they've more 'rope' to make decisions on the whole now.

"Major events in life force us to reflect on our priorities and the choices we face," says Stuart Duff, Business Psychologist & Partner at Pearn Kandola. "It is clear that the global pandemic is forcing a positive change in the thoughts and opinions of leaders, but with these thoughts come tensions."

These tensions are seen within the data, and the move towards braver decisions is not easy: 40 percent feel they need more permission, approval or consensus from others to make changes now, yet 59 percent feel that they are the ones to set the agenda, so they expect others to get on board with any changes they want.

However, there's an overwhelming belief in bringing about change with interaction across the business: almost three quarters of those surveyed (73%) believe in consensus, so consult on big business decisions.

"Leaders undoubtedly recognise the need to make braver and long-lasting decisions, yet at the same time could feel constrained by the immediate risks posed by recent events. Resolving this dilemma - by letting go of the short-term operational demands and investing in ideas and solutions for the longer-term - are at the heart of strong, visionary leadership."

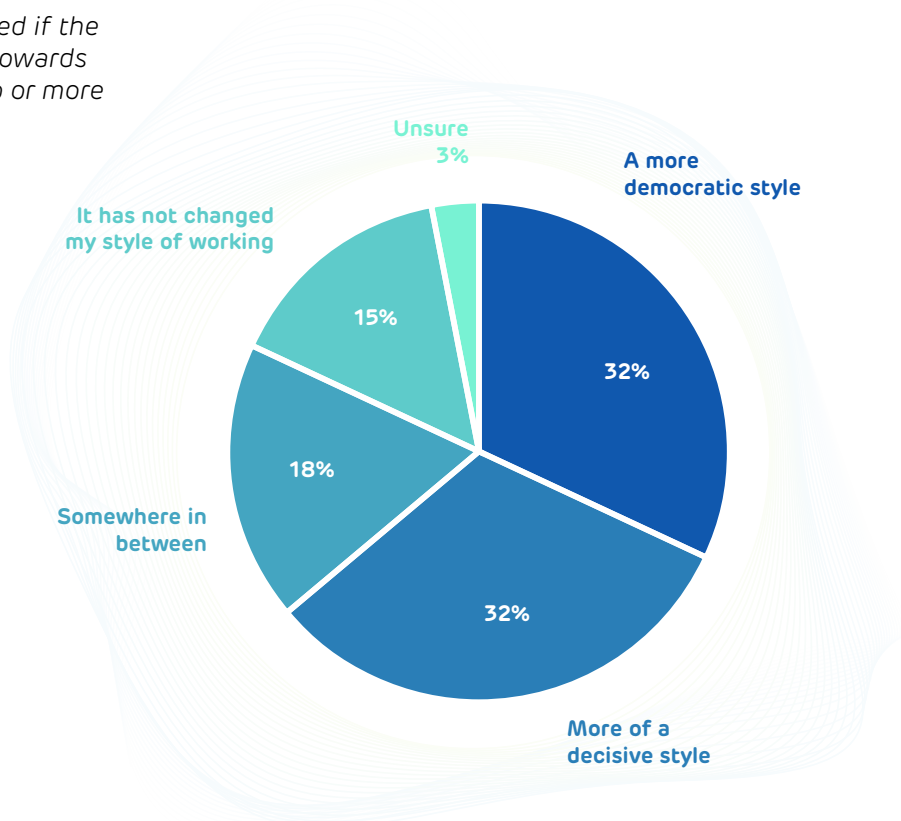
- Stuart Duff

The tension's also reflected in how leadership styles have been affected. 32 percent are now leaning towards a more democratic style, and 32 percent are choosing a more decisive style. Likewise, 47 percent feel that the COVID-19 outbreak has made them more willing to make braver decisions, whilst 42 percent feel that it has not impacted their decision making.

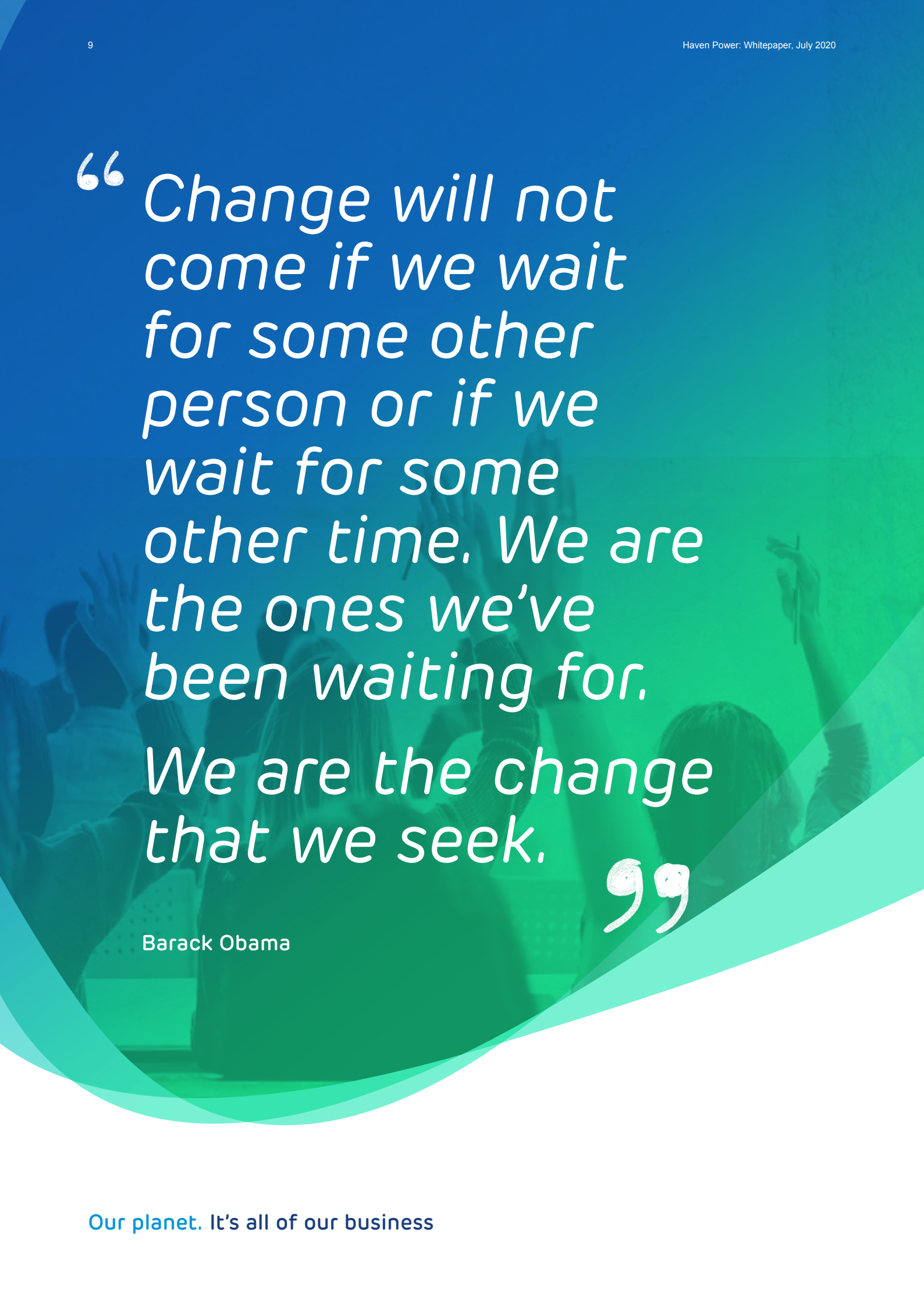
However, there is a consensus when it comes to delegation for change: three quarters (75%) of leaders within large corporates believe in delegation and encouraging others to take initiative for change.

"Resolving the tension between short-term priorities and long-term investment in the future is the eternal dilemma of leadership," says Duff. "While most leaders understand that their role is to shape the future, the reality is that many are constrained by the immediate pressures of the present. Leaders have experienced huge changes that will undoubtedly have shaped their perspective and opinions, but they will also need to overcome the natural risk-aversion that is promoted within many organisations."

Leaders of large enterprises were asked if the recent events have made them lean towards a more democratic style of leadership or more decisive:



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“Change will not come if we wait for some other person or if we wait for some other time. We are the ones we’ve been waiting for. We are the change that we seek.”

Barack Obama

Chapter 2:

How can you make bold steps towards sustainability?

Reawakened: Environmental consciousness rises

Considering the bold steps that have already been taken, and the brave decisions that leaders have made whilst facing the immediate challenges of COVID-19, it's incredibly heartening to see this bravery reflected in leaders' environmentally consciousness.

70 percent of business leaders surveyed feel that COVID-19 has made them feel more environmentally conscious. Over half (59%) feel that sustainability and / or climate change has increased in terms of importance to their business since the COVID-19 outbreak.

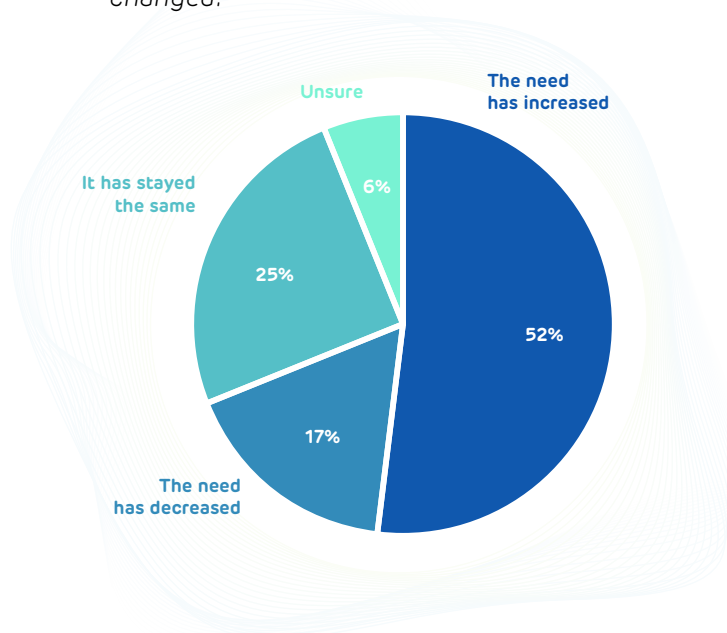
It's also worth noting that C-level execs are the most likely to say the importance of sustainability / climate change has increased in their business – with over 3 in 4 (76%) saying this is the case, markedly above the overall average (59%) across senior managers, owners and C-Suites of all business sizes.

Over half (52%) of large corporate leaders feel that the need to make bolder sustainability decisions as a business has increased.

The strength of conviction to make bolder sustainability decisions is clearly more heightened now: whether that's motivated by their own feelings (25%), their customers (21%) or everyone involved (22%).

A small proportion (17%) feel that the need to make bolder sustainable decisions as a business has decreased, and only 13 percent say it's unchanged.

We asked leaders if the need to make bolder sustainability decisions as a business has changed:



So, this data illustrates that there have been positive changes due to the COVID-19 experience of business leaders. Ones that we – as enablers to cleaner, less harmful energy solutions – are encouraged by. But how strong is that conviction? Is there a mandate for change? What's in the way?

Bold decisions: Challenging barriers, new and old

It's not surprising that the need to stabilise the business (42%) comes above making bigger commitments to sustainability. But the objections next in line are not new or unfamiliar. The second biggest barrier to making a leap for the sustainability agenda is the perception that it'll be too expensive (27%), whilst another quarter (24%) have concerns of shareholders/investors pushing for profit.

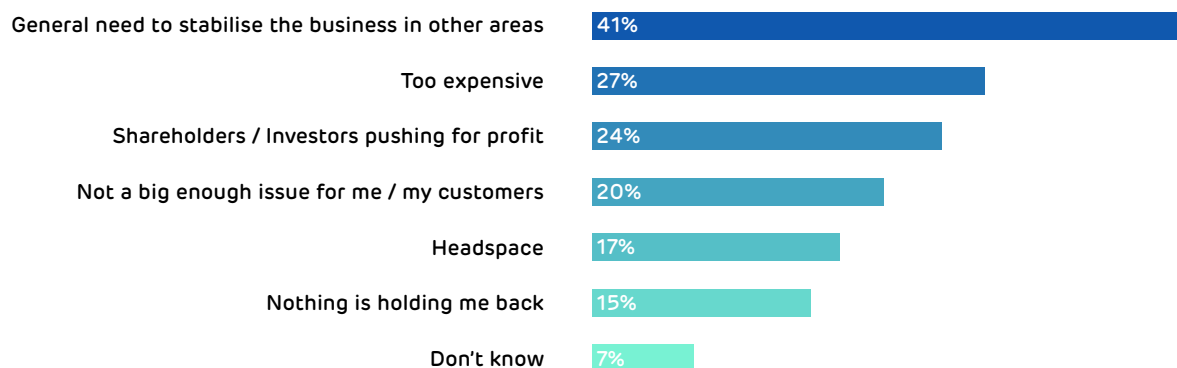
Overall, 73 percent of businesses reported that their business has had or will have to cut back or pause on certain areas to meet financial performance targets this year. The balance for financial performance comes at a cost to staffing (33%), learning and development programmes (30%) and technology transformation or investment (27%). Only 15 percent (of those that had one), have had to cut back on their sustainability strategy, presumably because they're already seeing dividends. The biggest risk is to those who haven't yet started their sustainability efforts, who represent the 22% that claimed it will have to take step back, due to affordability and / or headspace.

"We cannot ignore the role large businesses need to play in the achievement of our climate commitments, and so it's humbling to see the positive impact COVID-19 has had on the attitudes of these leaders," says Paul Sheffield, Managing Director of Drax Customers, including Haven Power.

"But nothing is simple. And while the climate crisis has grown in importance, the new human and financial crises have, understandably risen to the top of the urgent to do list. What's disappointing is that too many leaders have an incorrect perception that the sustainability agenda is expensive. We need to work harder

to address this barrier and to prove the energy savings, and therefore cost savings, that can be made. Because if we don't, once the top priority of business stability is dealt with, we'll never get to realise the positive outcomes that could be made through this heightened intent towards protecting the planet."

Barriers to making the leap on the sustainability agenda



“A brave leader is someone who says I see you. I hear you. I don’t have all the answers, but I’m going to keep listening and asking questions.”

Brené Brown

Chapter 3:

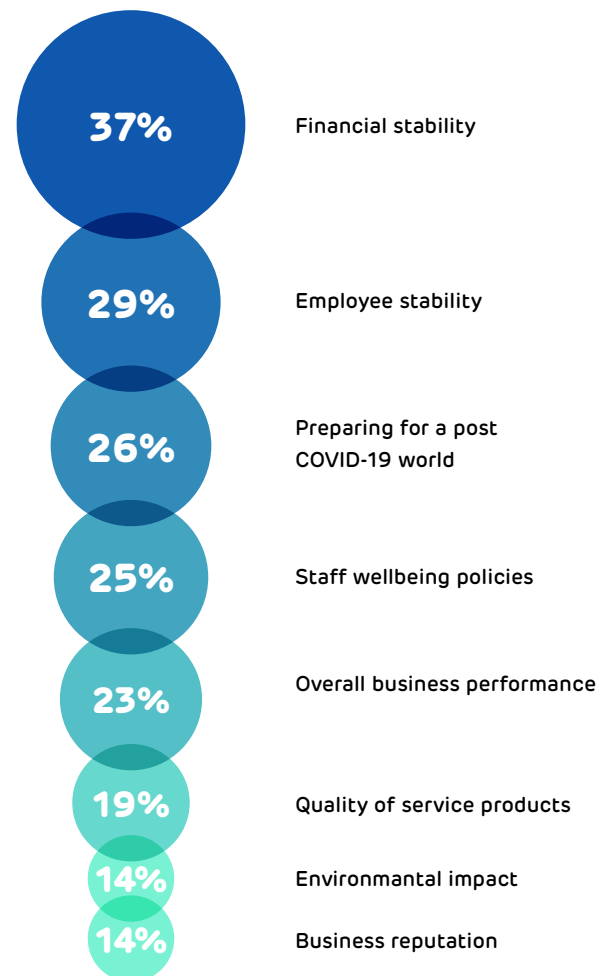
Will new rules make for greater leadership?

Balancing the agenda: Bravery and protection

This is a new world. The need to make bolder business decisions around sustainability has increased, yet despite feeling the need to be braver, business leaders are having to put sustainability and eco concerns on hold as they prioritise tough decisions to protect their business and their staff in the wake of the pandemic.

Right now, financial stability (37%), employee stability (29%), and preparing for a post COVID-19 world (26%) are the biggest concerns to leaders within large corporates. In fact, environmental impact comes sixth down the list of priorities (14%) interestingly, in-line with business reputation (also 14%).

Leaders of large enterprises were asked what their biggest concerns are



Leaders like you will no doubt have felt a wide range of emotions, with the financial and human burden of the workforce playing heavily on our minds. There may also have been some comfort in the sense of collective spirit. We've all been shaken, we've all suffered. As leaders, many of us have had to review our values, leadership and priorities. Protecting our businesses, and our staff, are the right choices. But can we hold onto that collective commitment, extend that altruistic instinct, to do something more transformational about the climate crisis once the immediate priorities get dealt with? With bold steps, we can ensure a brighter future for all.

Draw a line: How do you want your commitment to be seen?

"As a leader, one of the biggest challenges is to invest time in the future and to push aside the everyday distractions and pressures of the day job," says Duff. "When investing time in the future, our decisions and actions can often seem to have little, if any, direct impact, yet when focused on the present, all of our decisions are immediate and tangible. This sense of achievement from dealing with short-term issues can pull leaders away from the most important and valuable priorities – introducing change and investing in the future."

Your priorities will keep competing for your attention, and as the 'new normal' is formed, so will an agenda that keeps sustainability close to the heart of your business. The parent company of Haven Power, Drax, did this at the end of 2019 by being the world's first organisation to state its commitment to being carbon negative by 2030.

So, let's take a breath – it's not a full stop. As your business' leader, your employees and customers will be looking to you for many things right now. How you view and act on sustainability is one of those expectations but it's not something that needs to be addressed right this second. Instead, let's draw a line and put a stake in the ground.

Set a date, with a pledge of "I'll / we'll pick this up, then". This holds you, and your teams, to account. Make it a public commitment and then your customers know where you're aiming for. You might not be able to make the bold steps you want to right now, but by setting your intentions, you won't lose impetus and the bravery that you've found these past few months. The bravery we've seen from you and your peers during the pandemic needs to be harnessed, not only so you remember exactly what you achieved and how you achieved it, but also to keep us steady on the path to a sustainable future. You may find [this e-book](#) a helpful starting point.

The bravery we've seen from you and your peers during the pandemic needs to be harnessed.

Maintaining momentum: Clarity and action

When the burning platform has gone, or when no one else is asking the question, how do we keep the momentum around sustainability? How do we capture this commitment and clarity about what needs to change?

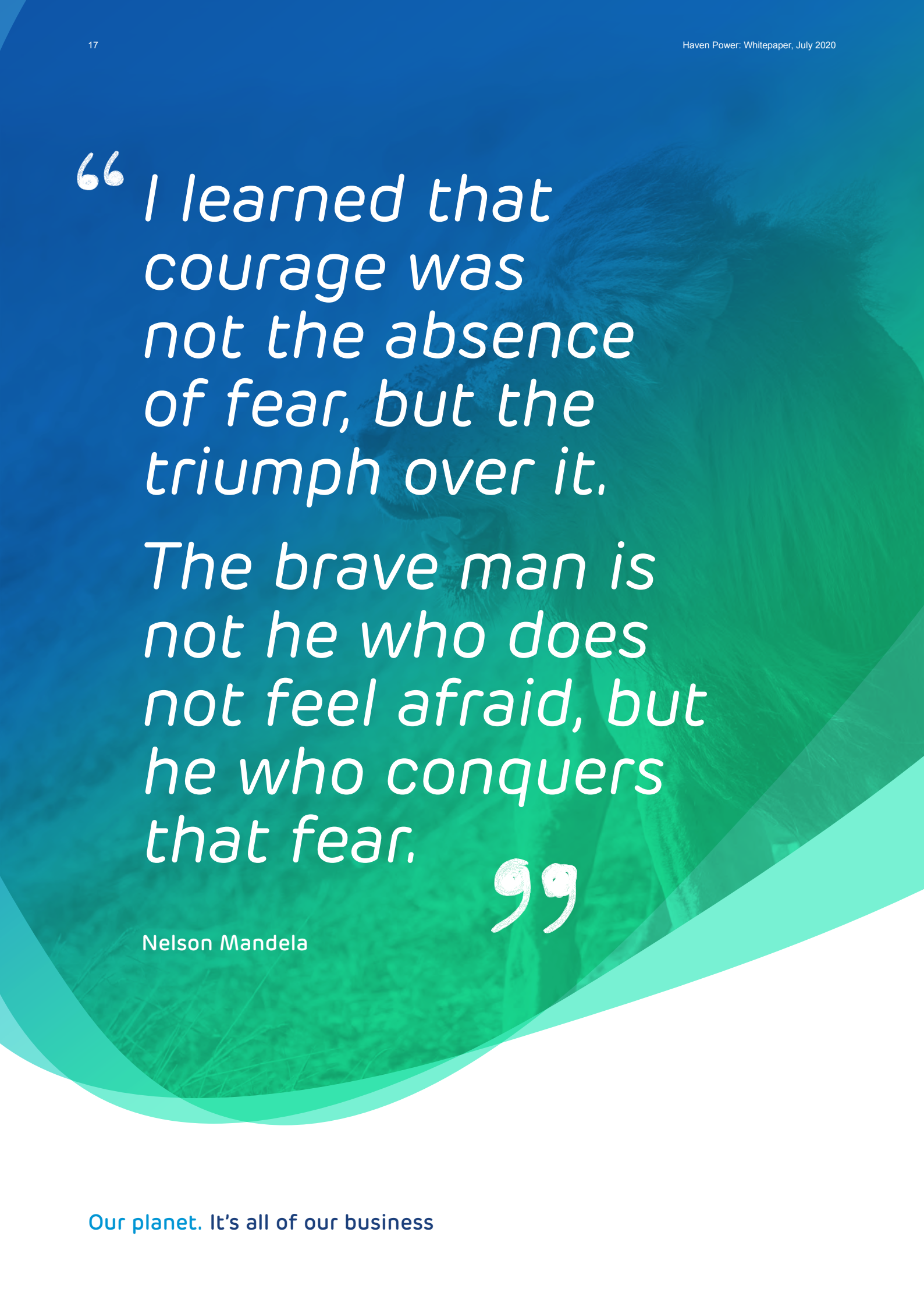
Whether your style of leadership is democratic or decisive, braver decisions will be the way forward to face all of our concerns. The research highlights that in addition to making business leaders value sustainability, the pandemic has made them place more value on their workforce. They've found benefits in new ways of working and intend to offer greater flexibility (44%) and the option of working from home (60%).

35 percent of large corporates have already started downsizing their business / office space and allowing more people to continue to work remotely, and another 36 percent have thought about it but are yet to implement a plan to downsize.

Leaders tell us that progress in business was previously constrained by too many other things going on (28%), restrictive governance or approval processes (27%), and no clear business case (26%), but COVID-19 has upended the environment where these constraints previously had a hold.

These initial steps could have a positive impact on the climate crisis inadvertently, by reducing the amount of carbon emissions from employee travel and workspace energy demand. But it will be a little while yet before our business leaders can get to the bolder decisions they need - and want - to make to improve our planet.

Our planet. It's all of our business



*“ I learned that
courage was
not the absence
of fear, but the
triumph over it.
The brave man is
not he who does
not feel afraid, but
he who conquers
that fear. ”*

Nelson Mandela

Conclusion:

Breaking normal for a new future

As explained in our introduction, the leaders of the past have said how much more they would like to do environmentally, but also claimed they cannot due to limited mandates from investors and policy makers, their customers or their personal motivation for profit.

The lessons of coronavirus will have a positive influence on how leaders tackle the other major global priority – protecting our planet.

COVID-19 has forced us to break 'normal' customs in decision making. It's shown us that brave, decisive leadership – putting impact above financial cost - can make a material impact on major threats.

***Our world is changed,
but one thing is clear.
We can't go back to how
things were.***

The pandemic has also provided us all with a chance to see, firsthand, how much the planet can heal, with lower emissions, in a short period of time. And we know the intent is there from leaders to continue one of the few positives we have seen from this unprecedented moment in time. This is the mandate you need to make changes for the better, not only to respond to growing customer need, but also to reduce emissions to help achieve the UK's net zero carbon targets.

The climate crisis is the greatest long-term global challenge. It's our planet. It's all of our business.

Whilst COVID-19 has moved sustainability up the conceptual agenda for business leaders, it has also given them many other problems that are now taking precedence. So, we will support business leaders of all sizes to turn their intentions into reality and make braver decisions. The impact, especially amongst the largest corporates, is too great to lose.

Our world is changed, but one thing is clear. We can't go back to how things were. With a little imagination, we can do things differently. And businesses like yours can lead the way.

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About the research

An online survey was conducted by Atomik Research among 1,251 respondents from the UK, all were senior manager level and above and worked for various employee sized companies. The research fieldwork took place on 2nd June – 11th June 2020. Atomik Research is an independent creative market research agency that employs MRS-certified researchers and abides to MRS code.

About us

Haven Power is a specialist business electricity supplier, providing renewable electricity to national and global businesses across the UK. Offering 100% renewable power, its portfolio of over 20,000 customers comprises market leaders across multiple industries, including Gatwick Airport, Edgbaston, Sutton & East Surrey Water, Colchester Hospital and Salford City Council.

As part of Drax Group, Haven Power is committed to delivering a low-cost, zero-carbon energy future. Headquartered in Ipswich, it employs almost 400 staff.

For more detailed information, please visit **www.havenpower.com**



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