

Guiding Organisations At Time Of Coronavirus Pandemic

帶領企業走過新冠疫情

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The saying of “*When the going gets tough, only the toughest gets going*” is truer than ever at this time of the coronavirus pandemic.

Recent financial results of companies showed a general trend of regression of performance. Most companies suffered losses, and many smaller companies are struggling for survival.

The downward trend affects some types of businesses more than others. Those depending on direct, face-to-face patronage of customers, such as retail, tourism, restaurants, and beauty treatment suffered most, but financial services and professional services such as legal and accounting may be more resilient.

This prevailing business climate put undue stress on the management team. But more importantly for company directors, how should they act?

I am no expert in crisis management, but I do have some views that I would like to share with our fellow directors.

PLANNING AHEAD

I guess we all agree that the success of any business depends on an effective business plan, and directors are tasked with vetting and approving business plans submitted by the executive management.

I would suggest that this is not the best time to approve a business expansion plan unless the company is engaged in the development and manufacture of medical devices or Covid-19 vaccines.

With the world almost in lockdown, and business and tourists travel reduced to a bare minimum, there is not a lot of room for growth in business volume in the near term. Even for those in the local business, with most people working from home (WFH), business and social activities have

been greatly reduced, with little potential for recovery in the short term. People staying home do not even need to change into business attire to work, nor to dress up for meeting people for entertainment. With such a mood, we do not need marketing experts to tell us that fashion, jewellery and watch stores will not attain their usual business volume for at least the next six months.

The main duties of a director are not to manage, but to guide and direct. We should encourage the executive management team to focus their strategy on reducing costs, cutting unnecessary expenses and saving their valuable liquid cash to pay for wages and rent.

PREPARE FOR THE WORSE

We already had a year of suffering, from social unrests disrupting normal business from July last year, to the Covid-19 pandemic since February this year until



today almost paralysing our city. If these problems only occur within Hong Kong, we may still have some hope of diverting business activities outside Hong Kong. Unfortunately, it has become almost a worldwide plague, and we should probably feel slightly relieved that we are probably less affected, firstly because our infected numbers are comparatively small, and secondly, our government has a large fiscal reserve which allow them to subsidise some badly affected sectors. But this cushion will not guarantee sustainability of all businesses.

Directors should encourage the executive management to consider at least three scenarios. The optimistic scenario can be that business will soon return to normal by early 2021. The pessimistic scenario is that the pandemic will continue beyond the end of 2021. A more likely scenario will be a very slow recovery from later this year. The purpose of such scenarios planning exercise is to alert the executive management of the need to plan for a rough ride ahead and prepare for that with various action items that can help to slow down the draining of cash resources. No one can predict the future with total accuracy, but a series of scenarios will better prepare the management to face challenges, which will likely hit them sooner or later, and ensure survival at this challenging time.

MEETINGS WITHOUT MEETING

I may be a pre-IT-era dinosaur, but I do not believe that meetings over a laptop or iPad can replace physical meetings. I just cannot believe that virtual meetings will be the same as physical meetings or even improve effectiveness, though I have to admit that it is an efficient way to meet and discuss issues and to gain approval of plans at this time.

The problem of meeting over cyberspace is the lack of certain dimensions essential for

business. The inability to observe body language, the inefficiency of scanning the group for questions and queries, and the inattentiveness of some (who are restricted by their layout at home or subject to disruption from children) all play to a reduction in effectiveness.

I always believe that meeting with people physically, over a meal or drink, will facilitate interaction. It will also enable skilful delivery of difficult messages. Those of you who have consoled depressed colleagues, softened angers of disgruntled staff, and pushed an argument to influence a proposed plan from your superior will hopefully agree with me that attempting such activities over phone or a virtual meeting can be extremely difficult and futile. There is an element of relieving tension, cultivating a cordial atmosphere, and allowing more unspoken messages to flow, when people are meeting in person, discussing difficult issues while having a bite. If not, we can do without business entertainment in the future and save a lot of costs and time.

For directors who only get to meet the executive management team a few times a year, it is even more difficult to convey subtle messages at virtual meetings. It is difficult to gauge the level of receptance of your executives over a small screen, not to mention to assess the support from other fellow directors. Some directors will tend not to raise issues that may cause any controversy. As a result, the meeting will become unidirectional, with the executives making proposals, forcing the directors to approve it without a healthy debate. This is against the original principles of having a company board to provide effective check and balance.

To combat these shortcomings, the only suggestion I can make is to encourage more individual discussions over phone, or some pre-meetings of small groups, prior to each

Board Meeting, so that delicate issues can be ironed out. Such activities may be difficult to arrange but most useful in preparing for Board Meetings, and must not be cast aside.

If some directors still have doubts about the need for in-person interaction, ask them when in their history have they successfully acquired a business without a physical visit, or bought an apartment without an onsite inspection, but only relying on information provided from a catalogue. Any attempt to make a serious business decision based merely on documents circulation and a virtual meeting may be seen as tardy or even irresponsible.

WORKING FROM HOME

I know our Government is promoting WFH, based on the advice from medical professionals, and is seeing some early successes in curbing the growth of infection rate.

I dare say that it only works on public services, as the citizens who suffer from the inconvenience have very little say, but for the common men-on-the-street conducting traditional business, WFH just does not work. A lot of business depends on physical presence, and restaurants and bars will be left hanging out to dry if they can only provide take-out services. Imagine your washing machine or air-conditioning has broken down, or you have a plumbing problem, and the technician tells you he is working from home. You would soon agree that WFH is not acceptable in many instances.

Even for office workers, starting late, wearing pyjamas while attending to work, confining to the dinner table with children also attending online lessons, all have a price tag, causing tardiness and disruption to serious business activities. Not to

mention some home Wi-Fi's limited bandwidth may even disrupt the continuous communications over cyberspace.


The long-established routine of getting up early, dressing up for work, commuting to work, does have an upside to prepare us to stay refreshed, focused and attentive at work. Also, we must admit that many jobs and professions still consider the in-person, physical office environment essential for feasibility, effectiveness and quality assurance.

Working alone at home, without in-person interaction, is already bad enough. Multiplying this with the number of staff that were accustomed to working as a group, chatting, rubbing shoulders, and exchanging eye contact, the loss of effectiveness must be significant. Let's not forget the proverbial joke that "the best business ideas are generated when people meet up at the toilet".

PERSEVERE AND MARCH AHEAD

What I have described above, negative though it may seem, reflects some truths that we are in the most challenging time of the last few decades. With no hope of Covid-19 pandemic being brought under control in the coming few months, and with further threats of trade conflicts of national scale looming ahead of us, survival must be the main aim of most businesses. Directors must remain positive in their attitude, so they can encourage and support the executive management team to overcome this difficult time. Avoid unnecessary criticism, as it only serves to make them more nervous and therefore prone to make more mistakes. Be patient in listening to them, whether it is a report of a failure, or a proposal that does not seem to work at first glance. Allow time to consider issues in the cold light of day, and do not rush into conclusions without careful thoughts. This is a time where care, empathy and

patience are vital in all communications.

No doubt, some businesses will fail, but this is a case of "survival of the fittest". Those businesses with solid foundation and smart business plans will survive, and probably enjoy a less competitive environment when the business climate becomes more favourable. We must remain optimistic in time like this. 

Ir Edmund K H Leung FHKIoD is Deputy Chairman of HKIoD.

「前路愈艱難，勇者志愈堅」這句說話，用於現時新冠疫情肆虐的困境中再貼切不過。

最近企業的財務業績表現呈現整體倒退的趨勢。大部份公司出現虧損，規模較小的公司更正在掙扎求存。

經濟持續下滑對某些企業影響明顯更大，依靠直接、面對面迎客的行業，如零售、旅遊、餐飲和美容服務等尤其受創，而金融服務和專業服務行業，例如法律界與會計界等，則相對較穩健。

當前的商業環境對管理團隊來說有如泰山壓頂，而對於公司董事來說，更重要的是應該如何應對？

我並非危機管理專家，只希望在此與各位董事分享我個人的經驗及看法。

計劃未來

相信大家都同意，任何生意若要成功，都必須具備有效的商業計劃，而董事正是負責審核行政管理層所提交的商業計劃。

我認為，除非公司參與研發及生產醫療器材或新冠病毒疫苗，否則現時並非批准業務擴充計劃的最佳時機。

目前世界運作幾近停頓，業務來往和休閒旅遊則可免則免，短期內業務的增長空間不大。即使是本地業務，由於大多數人在家工作，商業和社交活動大幅減少，短期

內收復失地的可能性微乎其微。社會大眾待在家裡，甚至不需換上商務正裝上班工作，也不必盛裝打扮出席應酬聚會。在這種氛圍下，我們無須營銷專家獻策，亦能預想時裝、珠寶和鐘錶店舖在未來至少六個月內，將無法恢復正常業務量。

董事的主要職責並非管理，而是指引和導向。我們應該鼓勵行政管理團隊將策略重點放在降低成本，削減不必要支出，並將寶貴的流動資金用於支付工資和租金上。

為最壞情況準備

過去一年我們一直處於逆境，去年7月開始的社會動盪大大打擊了業務常態，而今年2月爆發的新冠疫情至今幾乎癱瘓全城。若問題只限於香港，企業尚可將業務轉移到香港以外，不幸的是疫症已蔓延全球。值得我們慶幸的或許是香港的情況未算嚴重，首先我們染疫的人數相對較少，而政府亦擁有大量財政儲備，可補貼損失最慘重的行業。但這些緩沖措施並不能保證所有企業的可持续性。

董事應鼓勵行政管理層考慮至少三種方案。最樂觀的情況下，業務將於2021年初恢復正常。而最差的情況下，疫情將持續至2021年底以後。而最有可能的情況，就是經濟會於下半年逐漸回暖，但進展將非常緩慢。就不同情況規劃策略，旨在提醒行政管理層做好面對逆境的準備，制定行動及減緩資金消耗。沒有人能預測未來，但手握一系列方案，將有助公司管理層有效地應對隨時降臨的挑戰，順利渡過艱難時期。

會議不會面

或許我代表生於數碼時代前的世代，但無論如何，我不認為透過電腦進行網上會議可以取代甚至超越實際會議。兩者根本無法相比。但我同意在這種時勢下，網上會議確是開會、討論議題以審批商業計劃的權宜之計。

網上會議的問題在於當中缺乏某些商業往來必不可少的元素，參與者無法閱讀或留意其他人的肢體語言、掃視小組是否有疑問，加上某些與會者（因家中佈局或小孩干擾所限）注意力不能集中。這一切都會影響會議的成效。

我一直認為，在辦公室和在席間會面有助促進互動、巧妙地傳達難以啟齒的訊息。若你曾嘗試安慰沮喪的同事、緩解員工的不滿與憤怒、或婉轉向上司提出相反意見，試圖影響建議書的內容，都一定會同意這些對話難以用電話或網上會議成功進行。在席間討論棘手的問題往往能緩和張力、令氣氛更親和，不少隱晦的訊息更會不言而喻。假若會面是不必要的話，我們從來就不必花大量時間和成本出席商務應酬了。

董事一年只與行政管理團隊會面幾次，就更難於網上會議中傳達隱晦的訊息。透過小小的螢幕留意行政管理層對意見的接受程度並不容易，更遑論爭取其他董事的支持。為此，一些董事傾向不提出可能引起爭議的問題。結果會議往往變得單向，行政管理層提出建議後，董事可能在沒有進行良性辯論的情況下被迫批准建議，違反讓公司董事會提供有效制衡的基本原則。

針對以上缺點，我唯一能提出的建議是鼓勵董事在每次董事會會議之前先以電話個別通話討論，或進行小組預備會議。此類活動可能不易安排，但對準備董事會會議益處匪淺，不容忽視。

若有董事仍然質疑面對面互動的需要，可反問自己是否有嘗試只依靠閱讀資料、未有實地視察下便進行收購或買入物業。僅建基於傳閱文件和網上會議作出重大商業決策很可能被視為怠惰或不負責任。

在家工作

我知道政府參考醫學專家的意見推行在家工作的政策，並初步成功遏止感染率上升。

然而，我膽敢說這項政策只適用於公共服務行業，因為受影響的市民大多只能默默接受。對於從事傳統業務的一般人來說，一直在家工作並不可行。不少行業仰賴實體接觸經營業務。如果餐館和酒吧從此只能提供外賣服務，最終將會一一倒閉。試想你家裡的洗衣機或空調發生故障，或者遇上排水問題時，技工告訴你他只可在家工作，不出外勤。相信所有人不久便會明白，只留在家工作在許多情況下都不能接受。


即使對上班族來說，遲到、穿著睡衣、與身旁正在上網課的孩子迫在餐桌工作，並非沒有代價，每一項都會拖慢工作進度、阻礙重要的商業活動。再者，有些家居網絡的速度有限，更會導致工作上的溝通不時中斷。

我們的恒常習慣，每朝早起、悉心打扮、通勤上班，的確具有其好處，能助人一早就精神煥發、專心、有秩序的投入工作。此外，我們更須明白許多工作和專業仍須親身上班，在實體辦公室工作為必要措施，以確保其專業的可行性、效率及品質保證。

獨自在家工作、缺乏面對面接觸對一些人來說是一件苦事，不少人平常習慣團隊工作，無法與同儕並肩共事、互相支持，很可能會影響工作績效。別忘了這句老笑話：「最佳的營商意念往往源自洗手間裡的閒聊」。

蓄勢待發

以上所述雖似悲觀，但卻反映出我們正經歷近幾十年來最艱難的時期。新冠疫情無望在未來幾個月內消失，加上國家級貿易衝突的威脅日漸逼近，保持生存已成為大多數企業的主要目標。董事必須保持積極態度，鼓勵及支持行政管理團隊克服困境。避免不必要的批評，因為這只會令管理層更加緊張，更容易犯錯。管理層即使是提出失誤報告或乍看無效的建議，董事也應耐心聆聽。對重要決策不妨多作思考，無須急於妄作結論。在這段時間，關懷、同理心和耐心在溝通中尤為重要。

無庸置疑，最後必定有某些企業無可避免地遭受淘汰，但這是一個「物競天擇，適者生存」的時期。基礎堅實、商業計劃明智周詳的企業將會得以生存，待商業環境轉佳，這些企業更可能享有競爭較小的市場。希望各位在這段艱難的日子裡繼續保持樂觀！

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