



Leadership in Crisis – Challenges and Opportunities of a Fintech Company

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Abstract English

Title: Leadership in Crisis - Challenges and Opportunities of a Fintech Company

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The Covid-19 crisis has intensified the VUCA conditions in the business world which presented leaders with new challenges and opportunities. Consequently, this thesis explores these challenges and opportunities in an industrial research and investigates the role and significance of dynamic capabilities in crisis. The thesis examines a fintech company to assess its leadership performance during Covid-19. These findings are intended to facilitate learning and reflection processes, enabling better crisis management in the future. To ensure coherence in methodology, this thesis applies a secondary data analysis examining relevant literature related to leadership and management in crisis. During the pandemic, five critical areas emerged as particularly important for leadership: effective communication, building a strong team, emotional intelligence and empathy, sound decision-making, and trust. These areas are being applied in a concept of an iterative evaluation and reflection –called dynamic capabilities. Furthermore, primary data was collected through twelve semi-structured interviews with executives of the fintech company which were evaluated using the thematic analysis approach. The investigated company confirmed the areas which have been identified in the literature as critical in times of crisis. However, it showed that a clear top-down approach and concept was not provided for attacking the newly arisen challenges and for benefitting of the emerged opportunities. The evaluation of the fintech company suggests that, despite this lack of a common concept, the organisation succeeded in coping with the challenges posed by Covid-19. The company demonstrated strong dynamic capabilities at the team and individual levels.

Keywords: Leadership, Dynamic Capabilities, Covid-19, Fintech, Challenges & Opportunities

Abstract Portuguese

Title: Liderança em Crise - Desafios e Oportunidades de uma Empresa Fintech

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A crise do Covid 19 exacerbou as condições VUCA no mundo empresarial, apresentando aos gestores novos desafios e oportunidades. Este documento explora estes desafios e oportunidades num estudo industrial e examina o papel das capacidades dinâmicas numa situação de crise. A tese analisa uma empresa fintech para avaliar o seu desempenho de liderança durante o Covid-19. As conclusões destinam-se a facilitar os processos de aprendizagem e reflexão e a permitir uma melhor gestão de crises no futuro. Para assegurar uma metodologia consistente, esta tese conduz uma análise de dados secundários examinando a literatura relevante sobre liderança e gestão de crises. Durante a pandemia, cinco áreas críticas de liderança emergiram como importantes: comunicação eficaz, construção de uma equipa forte, inteligência emocional e empatia, tomada de decisões sólidas e confiança. Estas áreas são aplicadas numa abordagem de avaliação e reflexão iterativa - as capacidades dinâmicas. Além disso, os dados primários foram recolhidos através de doze entrevistas semi-estruturadas com gestores, que foram analisadas utilizando a abordagem de análise temática. A empresa confirmou as áreas previamente identificadas na literatura como críticas em tempos de crise. Contudo, verificou-se que não existia uma abordagem clara de cima para baixo nem um conceito claro para enfrentar os novos desafios que surgiram e para tirar partido das oportunidades que surgiram. A avaliação da empresa sugere que apesar da falta de consenso, a organização foi capaz de enfrentar os desafios levantados pelo Covid-19. E demonstrou fortes capacidades dinâmicas a nível de equipa e individual.

Keywords: Liderança, Capacidade Dinâmica, Covid-19, Fintech, Desafios & Oportunidades

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“A leader is a dealer in hope”
Napoleon Bonaparte

1. Introduction

Throughout the last two centuries, the society and economy have been challenged with many crisis which emerged due to various reasons and factors. However, all crises have proved themselves as incubators of significant impact on processes, mindsets, and habits, which appeared to be immutable. In addition, advancing technology has been a supporting driver for rapid transformation, fostering interconnectivity between previously unconnected industries and ushering in entirely new ways of working. The recent Covid-19 pandemic has been encountered as the biggest crisis in the last century with unprecedented consequences for the global society. Especially the business sector faced new challenges. The environment in which today's organisations operate has grown more volatile, uncertain, complex and ambiguous (VUCA) as well as riskier which was further strengthened by Covid-19 (Bennett & Lemoine, 2014). While many commercial obstacles needed to be addressed quickly by the management, leadership within the companies and their teams were identified to be one area of specifically disruptive change. The Covid-19 pandemic highlighted the need for leaders to possess a set of adapted skills to successfully navigate the disruption to the workplace (Claus, 2021). Professionals across the globe were struggling to meet the demands of their organisations, manage their teams, and navigate the changing economic landscape all while dealing with the uncertainty of the future (Abramiuc Todoran & Popa, 2021). New ways of working were forced to be developed in a short timeframe which influenced new ways of team leading significantly creating controversial discussions about the right strategic approach, effective operational methods and techniques as well as the appropriate reflection of leadership.

While facing unprecedented challenges and difficulties, companies had to navigate the Covid-19 crisis without any precedents or best practices providing a recipe or instructions. To gain insight into how companies and leaders dealt with the crisis, as well as which skills and competences were needed to overcome it, this paper will take a look at a Fintech organisation as an example. To analyse the leadership and management performance in crisis, the following questions arose:

- What are the identified challenges for leaders caused by the new environment during Covid-19?

- Which approaches and measures have been implemented by the company and the management to overcome these challenges and benefit of these opportunities?
- In which way could the adaptability and openness for change can be assessed? In this regard, the level of dynamic capabilities of the Fintech company is the focus of the investigation.

The thesis purpose is to give a picture of the present while also highlighting the factors that are indicative of the leaders' likely future conduct and views.

After a brief introduction of the Covid-19 pandemic and its operational effects on the business environment, the need for dynamic capabilities is discussed, followed by an introduction to the most significant challenges and opportunities that leaders have faced in the Covid-19 crisis and how these were solved in the context of dynamic capabilities. Afterwards, the methodological approach of literature, and document analysis, and expert interviews is being described. Subsequently, the collected results of the research are presented, analysed and interpreted in relation to the findings of the theory.

2. Literature Review

The following chapter aims to create a uniform basic understanding of the term 'leadership' and 'leader', why it is important and what the current circumstances are. Furthermore, it determines important skills and qualities which are required within the framework of dynamic capabilities in crisis.

2.1. Definition, Environment & Circumstances

Two of the most often used words in studies on management and education are 'leader' and 'leadership' (Silva, 2016). The literature shows a variety of methods and definitions of leadership. They define Leadership as a process wherein an individual inspire and motivate people to meet shared goals or objectives which can be adjusted or added depending on the needs and challenges (Malik & Azmat, 2019). Leadership creates a connection with people on a deeper level than just superficial or formal which in return motivates them to act rather than being forced to do so. The results of the process decide if a leader is successful and efficient or not although it may be evaluated differently by different people (Silva, 2016). It is generally observed that effective leadership increases team and group performance and business success by motivating actions and reaching a shared objective. Over time, leadership models and

theories have changed, moving from the idea that leaders 'are born' to the realisation that leadership is a combination of personality, ideals, and competences meaning that leadership is not a static characteristic but rather a dynamic skill that can be learned and developed (Alban-Metcalf & Alimo-Metcalf, 2013; Yukl, 2012). Many leaders are required, urged, and even pushed to show and work on their leadership abilities. The challenge for leaders is to improve their skills in both problem-solving and leading (Jamison, 2006). In conclusion, leadership appears to be the crucial term for the internal forces behind economic success.

2.2. Leader

With his statement: 'A leader is a dealer in hope', Napoleon referred to the leader whose task is to uplift and inspire people and followers while giving them hope. The key leadership attributes such as values, beliefs, character, knowledge, skills, ethics, experience and culture enable the leader to motivate followers to take action and shape the world (Dinibutun, 2020). Their clear vision, integrity, and authenticity are key to set and revise objectives in response to changing circumstances, requirements and problems as well as connect with people and build relationships beyond the official level (Malik & Azmat, 2019). Particularly in times of crisis, changing external factors challenge the qualities of a leader essentially. These external crisis factors are being discussed in the following with specific focus on the Covid-19 pandemic.

2.3. Changes in the Business Environment

The World Health Organization (World Health Organization, 2022) claimed the Covid-19 outbreak as a pandemic in March 2020. The pandemic had a profound and disrupting impact on people's daily lives on a global scale. It had a tremendous impact on economic organisations, commerce and administration systems, particularly on companies (Porkodi, 2022). As a result, the business world in a variety of fields faced significant challenges with regards to stability and certainty, time management, lack of information or maintaining supply chains. Maintaining social distance was a critical component in ensuring people's health and wellbeing. This necessitated a drastic alteration in how people interact at work, at home and in public, drastically reducing or completely eliminating direct interactions (Rosenthal et al., 2001). Workers had to adjust with some temporarily out of work, others working from home, and still others having to find new ways to collaborate. All of them had to adopt new routines to accommodate the challenging circumstances, made worse by the uncertainty of the crisis's long-term effects and the fear of possible job loss (Rigotti et al., 2020). Furthermore, researchers

have spoken at length on the persistent changes that have occurred since the pandemic, including the rise in mental health issues, job turnover, and digitization of work. Personal protective equipment, infection control procedures, work ethics and morality as well as work environment transformation as a result of changing typical situations are some other concerns that might be recognised (Porkodi, 2022).

2.4. Changes in the Role of the Leader

Many leaders have experienced numerous crises in the past, nevertheless, they were not prepared for the new challenge of the Covid-19 crisis especially due to the unknown virus and its unexplored effects (Hertelendy, 2020). Therefore, companies needed to adjust their strategies and leaders had to adapt their leadership styles to the new circumstances. The effect of the changing environment and the new VUCA business world on the leader's role will be described and discussed in the following examining the relation between dynamic capabilities and altered leadership focusses as well as picturing challenges and opportunities for leaders.

2.5. Need for Dynamic Capabilities

Teece, Pisano, and Shuen (1997) introduced the idea of 'dynamic capabilities' to describe how businesses may build, alter and deploy resources to successfully adapt to the changing environments they encounter. Dynamic capabilities use corporate resources like processes and decisions and reorganize resources within the company via knowledge transfer or collaborations to create new resources (knowledge). These procedures and processes are regarded as dynamic capabilities because they give businesses the ability to shape resources in a way that adds value, enables them to compete, and propels them forward (Culek, 2019; Teece, 2007). Businesses must be able to quickly, flexibly, and creatively react to new market and technology conditions in order to maintain their competitive edge. Therefore, organizations, respectively, their employees, leaders and managers, need to develop the required skills of dynamic capabilities to enable this reaction and flexibility. To reach these goals, leaders should make the most out of their resources to create and manage their capabilities (Barreto, 2010, Teece, 2007). Leaders at all levels must work together to effectively address the current and future challenges since no individual or organization can succeed in this endeavour alone. Strong leadership qualities are key to success (Bennett & Lemoine, 2014; Currie et al., 2022). This qualifies businesses to stay ahead of their competition and gain an understanding of the changing market. Consequently, capabilities and strategy are closely connected as knowledge

and skills must be combined to create long-term success (Schoemaker, 2018, Culek, 2019). The importance of dynamic capabilities and leadership skills is clearly stated by O'Reilly and Tushman (2008) as well as Shoemaker (2018). Without these essential skills, companies will not be able to recognize, understand and act on ambiguous signals of emerging risks and opportunities. Especially uncertain and fast-moving times of crisis demand a form of entrepreneurial guidance to ensure strong dynamic capabilities. Leaders need to have a wide-angle perspective and a modern, out-of-the-box thinking look for new ideas. They also have to be aware of where to look for clues, how to interpret unclear signals, and how to respond to conflicting signals. Leaders must be able to initiate controlled change within their companies in order to break away from outdated practices (Schoemaker, 2018).

In order to fulfil these requirements, Shoemaker developed a framework of dynamic capabilities that identifies the three main steps that help a company to develop continuously: 'Sensing Change', 'Seizing Opportunities', and 'Transformation', which is demonstrated in Figure 1 below (Schoemaker, 2018).

I. Sensing Change

Having the ability to spot market changes before the competition is a key dynamic capability. It is essential to identify changes in chaotic situations and understand the long-term implications for competition. Companies should have a strong awareness of their environment and anticipate future changes before taking any action.

II. Seizing Opportunities

To succeed when changes occur in a corporate setting, it is essential to be aware of opportunities and risks. These opportunities and challenges need to be evaluated, analysed and assessed accordingly by the leader in charge before the decision-making. Only then, can companies are able to come up with new ideas and strategies quickly to benefit from opportunities and limit or avoid future risks.

III. Transforming the Firm

Businesses may need to restructure their ecosystems and align their processes in order to benefit from new business models in a VUCA environment. This requires updating procedures and reflecting the own actions while still attending to customer needs.

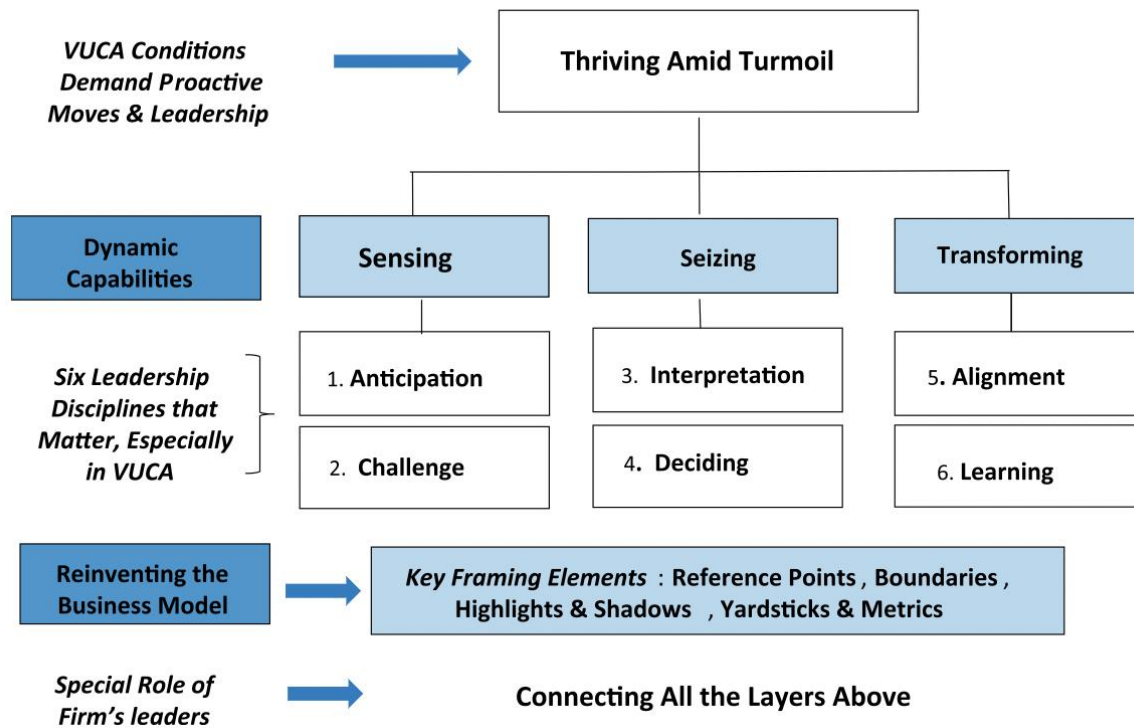


Figure 1 - Dynamic Capabilities Framework by Schoemaker

In order to succeed in a VUCA environment, Shoemaker (2018) identifies six key traits within the framework of dynamic capabilities, which are crucial steps and tasks for strategic leaders. These leadership responsibilities are based on high levels of cognitive, emotional and social intelligence competencies. They are essential for successful management throughout the process of ‘Sensing Change’, ‘Seizing Opportunities’ and ‘Transformation’. Leaders must **anticipate** what lies ahead and be able to adopt a long-term perspective, even if it means sacrificing short-term financial gain. Leaders must continually **challenge** their organization and adjust it to changing realities while preserving its reputation. They must **interpret** different signals in a timely manner and draw new conclusions. To do this, they must connect the dots between various pieces of information and **decide** on the best course of action. In times of uncertainty, leaders must take action and serve as role models. These leadership qualities are imperative for organizations to capitalize on opportunities at the right moment, even when the situation is uncertain. **Alignment** is vital for driving organizational change, often requiring a phased investment approach and an open mindset to learning and inquiry. **Learning** is essential to establish a long-term and sustainable process for future ‘Sensing’ and ‘Seizing’ approaches (Schoemaker, 2018).

Figure 1 shows this relationship between organisational dynamic capabilities, personal leadership talents and strategic reframing. Building strong connections between these three elements is critical to developing an effective system. Connections between them are many-to-many rather than one-to-one. Dynamic capabilities and strong leadership skills are essential for organisations to overcome the status quo. Leaders must ensure that organisational competencies are operationally developed and applied (Schoemaker, 2018).

In conclusion, dynamic capabilities are rather linked to non-financial indicators of organizational performance (Simon et al., 2015). The dynamic capabilities framework is a helpful tool for leaders to think strategically about the future of their businesses. Business models, strategic investments and long-term strategic objectives should all identify, improve and include such skills that enable organisations to react swiftly and correctly to changes in the external environment (Culek, 2019).

2.6. Biggest Challenges and Opportunities

As a result of the Covid-19-pandemic, leaders now face new challenges and opportunities. The effect of the crisis is widely spread across all areas of a leader's interaction within and beyond an organisation. To provide an accurate understanding of the emerging issues and opportunities which a leader encountered in times of Covid-19, a table was constructed summarising all affected areas and the respective challenges and opportunities. These can be found in the Appendix 1.

As the framework of Dynamic Capabilities determined, a changing environment with new opportunities and challenges require an impact on the behaviour and responsibilities of the leader in different ways. These effects are a contentious discussion in the literature which is examined in the following. The various statements of numerous researchers were summarised in Appendix 2. The analysis showed that leaders need many important skills and competencies in times of crisis. These are briefly displayed in Figure 2.

Flexibility	Strategic Thinking	Clear Vision	Interpersonal Savvy
Decision-Making	Trust	Engagement & Empowerment	Collaboration/ Create cohesion
Communication	Building a strong and healthy Team	Emotional intelligence & empathy	Provide security
Inspire & Influence	Motivation	Resilience	Psychological safety
Futuristic Vision/ Clear vision	Awareness	Be courageous	Preparation & Planning

Figure 2 - Important Skills of a Leader

Due to the limited scope, only the most significant ones highlighted in dark blue are addressed and were taken in connection with the dynamic capabilities. The most important ones are going to be described below in more detail: Communication, a strong team, emotional intelligence and empathy, decision making, and trust.

1. *Communication*

The Covid-19 pandemic highlighted the importance of dynamic capabilities, especially in communication. As organizations had to rapidly adapt to the changing business environment, they needed to quickly develop and implement new strategies and tactics to communicate effectively with employees, customers and society. However, this also brought various barriers that leaders had to confront. With many employees working from home, the short, spontaneous, informal, and personal exchange suddenly does not exist anymore (BMW, 2021). Pure virtual communication increases the distance between leaders and employees, which can make communication appear abrupt and unwelcome to the employees as they do not feel personally addressed. This makes leadership more challenging, time-consuming and fragile to mistakes (Reckow, et al., 2022). Furthermore, timing problems can create a lack of smooth communication flow as leaders' calendars are often full of appointments (Çuhadar, 2022).

Leaders must be proactive in sensing the changing environment and anticipating the opportunities and risks associated with the pandemic. This includes monitoring external changes in customer behavior, government regulations, and new technology. For example, many companies had to adjust their communication strategies to the pandemic, such as increasing their use of digital tools (Campbell, 2020). Seizing these opportunities, organizations can then benefit from the new technical possibilities, such as arranging spontaneous meetings

across national borders (Babapour Chafi et al., 2022). Presentations can be easily shared and discussed, at a cheaper and sometimes easier rate (BMW, 2021). Leaders can use channels to communicate information to the whole team or chat with a single person, and colleagues who are not present can read the information later. To take full advantage of the opportunities, organizations must also transform their operations, such as shifting to hybrid work and creating digital services (Whilby, 2020). By doing so, they can remain competitive in the ever-changing environment.

Almost all authors agree that good communication is a key leadership skill in times of crisis (Porkodi, 2022; Dirani et al., 2020; Mendy et al., 2020). Leaders must make the most of their limited time by emphasising straightforward reporting, engaging in constant hands-on learning, and prioritizing direct communication. They should be open and honest, maintain composure, and set a good example, support their team members' safety and well-being, and communicate factually and compassionately (Dirani et al., 2020). Heavy online communication allows leaders the opportunity to understand their employees as individuals (Gunawan et al., 2022). Effective communication involves defining and identifying long-term objectives, paying attention to stakeholders and comprehending them, and opening up channels of regular, plain, and clear communication. It is important to remember that people's capacity to absorb information is limited in the early stages of a crisis, so leaders must take the initiative and be proactive in their communication (Mendy et al., 2020). Furthermore, a regular structure or medium for communication is essential in times of crisis. Leaders must switch between expressing ruthless honesty and believable optimism (Koehn, 2020).

2. Build a strong and healthy team and encourage the individuals

Creating dynamic capabilities enables teams to be agile and adaptive to ever-changing business environments. Dynamics and flexibility, though, correlate with challenges and endurance tests for the team. This is why it is not enough to establish agility within the team. Instead a strong and healthy team is basis for the development and maintenance of dynamic capabilities in order to remain competitive and successfully face crises. For strong teams, following the process of 'Sensing', 'Seizing' and 'Transformation' within an organization is key to reaching their full potential (Eisenhardt & Martin, 2000; Teece et al., 1997).

Leaders face specific challenges when instilling pride, providing support, collaborating, in collaboration and establishing team norms in uncertain times (Leading Effectively Staff, 2020). With many now working remotely, there is a risk of physical and psychological problems (e.g. feeling left out). Leaders have to even take more care of knowing each individual and its

concerns during times of crisis and uncertainty before problems and arguments among the team members even evolve. Crisis necessitates a team's awareness of both their internal and external environment, as well as recognition of potential risks and opportunities (Eisenhardt & Martin, 2000). This has caused a range of emotions in both employees and managers, such as anxiety, loneliness, rage, frustration, and perplexity. Every time the team starts to feel upbeat, a new obstacle arises and throws everything off balance, leading to a decrease in morale and teamwork. To combat this, the team leader must motivate and inspire the team to overcome these challenges (Staneart, 2021). So, leaders must form habits to ensure security and stability within the team (Babapour Chafi et al., 2022). Social bonds need to be deepened in times of ambiguity. Hence, the leader's focus should be on caring and compassion, both professionally and personally (McKinsey & Company, 2020). Leaders should share information to support listeners' mental health and safety and provide a sense of direction and stability (Mendy et al., 2020). This will help leaders building relationships with their teams and amongst other leaders (Robertson, 2021). Additionally, the team must act swiftly and decide on the best course of action to successfully approach upcoming challenges. To do this, effective communication, leadership, and collaboration are essential. Dynamic capabilities should be constantly monitored and adjusted to keep up with changes. Leaders should increase inclusion by involving each individual and talking regularly. All meetings should have a clear structure to ensure they are efficient and engaging. Although face-to-face meetings are no longer as frequent, the leader must still maintain the corporate culture and foster a "we-feeling," a sense of community and common culture (Staneart, 2021).

In general, leaders should approach their role with extra care, as combined intelligence excels teams performance especially during crises (MacDonald, 2020). Harnessing the unique skills of each team member is key to developing dynamic capabilities. Doing so will ensure that everyone is able to contribute to the development of the team's dynamic capabilities.

3. Emotional intelligence & empathy

Emotional intelligence and empathy are essential components of the dynamic capabilities necessary for successful leadership during uncertain times. Emotional intelligence, the ability to recognize and control one's own emotions and those of others, is essential for a leader to understand the effect of their choices on their teams and to make decisions in the best interest of their organization (Drigas & Papoutsis, 2020; Wittmer & Hopkins, 2022). The pandemic has made empathy particularly important for leaders, allowing them to comprehend the increased mental and physical strain on their employees (Van Bommel, 2021). Emotional intelligence and

empathy play a further significant role in the dynamic development process of an organisation respectively its leaders.

Leaders must have the emotional intelligence to identify and understand the emotions of their employees and customers, and the empathy to respond to those emotions in a meaningful way. During Covid-19, people felt alone and insecure due to social distancing and short-term work conditions. Especially in these critical times, but also in the post-pandemic world, leaders need to demonstrate empathy, awareness, as well as anticipate the time and recognize the speed at which feelings are changing (Porkodi, 2022). Moreover, they must have a strong sense of self-worth and emotional intelligence to manage the stress of the job (Kets de Vries, 2020). Leaders should address employees' concerns without exacerbating them to reduce loneliness and isolation and cultivate a sense of belonging (Pitstick, 2020). During Covid-19, leaders must enhance communication by empathizing with subordinates, caring about and prioritizing workers, and setting an example for others to follow. When it comes to seizing the opportunities presented by the changing environment, leaders must have the emotional intelligence to recognize and capitalize on the opportunities caused by the pandemic. They should be able to assess the effects of the pandemic on the organization and use this knowledge to create new strategies and plans. Additionally, leaders must understand the needs of their customers and employees and come up with creative solutions to address their concerns. To successfully adapt to new circumstances and maintain a positive and productive work environment, leaders need to prove their emotional intelligence in crisis. They must be able to transform the emotions of their teams into a positive and productive force. This may involve motivating team members to stay engaged and productive, or encouraging them to come up with creative solutions to problems. This includes patience, understanding, self-control, and increased assistance by leaders when implementing changes in the rougher business world. Hence, the ability to sense challenges, seize chances and transform the internal processes accordingly is closely linked to the emotional intelligence and empathy of a good leader in crisis (Kets de Vries, 2020).

4. Decision-Making

Making the right decisions is a task of paramount importance for leaders, as the company's success often depends on it. To make the best decisions, they should approach the task with confidence, action, and encouragement. Therefore it is essential to have an agile and adaptive mindset to make the right decisions (Dirani et al., 2020). In times of crisis, leaders must act quickly, evaluate risks, and make decisions that will help guide their organization through the crisis. This will ensure the organization's survival and enable it to move forward after the crisis.

Decision-making also helps to maintain stability and continuity in the organization during times of crisis, which is crucial for its long-term success.

The Covid-19 pandemic has placed an emphasis on dynamic decision-making by leaders. In a highly uncertain situation, leaders have been required to make quick and short-term decisions with uncertain outcomes (Reckow, et al., 2022). This often means predicting (sensing) the situation in the early stages, closely examining external conditions, and considering the consequences of their decisions on their teams and the economic climate (Ferry, 2020). Leaders must be mindful of their decisions, avoiding fear-based, reactive choices, and instead inspire their teams with courage, enthusiasm, and positivity to provide security (Porkodi, 2022). While the future is still unclear, the new leadership model requires leaders to make purposeful decisions with courage and to transform their organizations through implementing new strategies and techniques, such as staff training, restructuring, and creating new processes and systems (Abramiuc Todoran & Popa, 2021). Dynamic capabilities have been an invaluable asset in helping organizations to effectively manage the challenges posed by the Covid-19 pandemic.

5. *Trust*

The pandemic proved once again that uncertain times create instability, insecurity and anxiety among employees and colleagues. Trust, in general, is crucial in personal interactions but becomes even more essential during the crisis in order to react effectively react to changes. It is the key for organizations to build productive relationships, which can lead to better performance and greater success (Teece et al., 1997). For that, leaders need to gain the confidence of all stakeholders in the business and in themselves by being able to convey a clear direction and way forward (Dirani et al., 2020).

During the crisis in particular, the trust in the leader becomes even more important. That is why the good leader has to early anticipate the needs and concerns of its team members (Schoemaker, 2018). This requires an open dialogue, where managers become aware of their team members' situation and can interpret the employees' emotions in order to make informed decisions. This can be done through surveys, interviews, focus groups and other forms of communication (Phillips & Connell, 2004). However, trust is not a one-way bottom-up street, but requires the leaders' belief in the team. Especially during home office times, the release of control and trust in the team becomes critical (Hertel et al., 2005; Symonds, 2020; Zaharie, 2021).

Once having identified these requirements in advance, the 'seize' phase is essential to build trust between managers and employees. Managers must correctly evaluate and interpret the effects of their employees' sorrows and thoughts identify potential counteractions and need for changes. Here, the leader has to take action to address the team's needs. This could involve providing extra resources to help employees adjust to remote working or offering flexibility in their working hours. It is important for managers to be proactive in their approach and to show that they are taking the situation seriously. To foster loyalty and trust, leaders have to take even more care of being truthful, transparent and open. On the other hand, studies have shown that productivity in the home office is at least as high as in the office. Covid-19 pandemic has brought cultural shift from a widespread culture of presence to a culture of results. This allows employees more autonomy in shaping work and daily routines and there is more mutual trust between leaders and employees (BMW, 2021).

Obviously, trust is a long-term development that requires significant time to be established, but only a short time to be lost. . Therefore, leaders are challenged to maintain the level of trust from a long-term perspective. While transforming the changes into steady processes which address the team's concerns, leaders need to be aware of the balance between benefits for the employees and potentially correlated impairment for the company (Sirota & Klein, 2013). Above all, trust seems to be the core basis of the dynamic process of 'sensing' evolving situations, 'seizing' respective opportunities and actions, and transforming them into standard parameters in an organisation.

3. Research Methodology

For an appropriate research, it is crucial to adhere to a coherent methodology. It describes the author's method of critical analysis and thoughts (Williams, 2007). For this reason, a qualitative approach was used in this work. This is a research method used to gain an in-depth understanding of people's experiences, behaviours, and attitudes. It is used to explore, explain, and describe a phenomenon, often through open-ended questions and in-depth interviews. Qualitative research is used to gain insight into people's beliefs, behaviours, and motivations, offering a rich and complex understanding of a topic that is often difficult to study with more traditional methods (Creswell, 2014).

Due to the topic and the issue with the investigated company, this work utilized exploratory research to describe and assess the existing situation since it is mostly appropriate for capturing,

defining, organising, and describing actual difficulties (Becker, 1993). Exploratory research is a type of research conducted for a problem that has not been clearly defined. It is used to explore and identify new ideas and insights, explore the causes of a problem, or gain more detailed information on a specific subject. Exploratory research is often used to identify potential opportunities and to help generate creative solutions to a problem. It is also used to identify potential risks and to investigate new areas of research (Saunders et al., 2016).

Due to the time constraints, the research project can only examine the company's circumstances at a specific time. Therefore, it appears that the cross-sectional technique was the right choice. In a cross-sectional study, data is collected from different individuals simultaneously to observe variables without influencing them (Saunders et al., 2016). It might be reiterated at this point that the present study is a single example, making transferability to other projects challenging.

3.1. Secondary data (Literature and document analysis)

Secondary data analysis is an evaluative technique used to organise significant documents and communications and to illustrate the arbitrary intent behind behaviour. It utilised to identify gaps or draw attention to areas that need more study or focus from professionals or researchers (Jalali & Wohlin, 2012). Therefore, the research question-related publications that have already been published can be found in the official data archives (Hox & Boeije, 2005).

First, extensive literature searches in a variety of databases and libraries were done. The author did this by using the snowball method, in which they start with a key source and then search for further literature references (Jalali & Wohlin, 2012). The advantage of the snowball technique is that a lot of literature can be made available quickly, and the reader gets a thorough review of the most significant works. There is a risk of finding many out-of-date or obsolete books, though. As a result, it might be challenging to locate fresh, contemporary ideas in the literature (Kitchenham & Charters, 2007). For this work the main source is: Innovation, Dynamic Capabilities, and Leadership by Schoemaker, P. J. H. from 2018. Schoemaker's Dynamic Capabilities provides a comprehensive overview of the field of dynamic capabilities in leadership. The text covers all aspects of dynamic capabilities, from the theoretical foundations to the research and applications of the field. Further specialised material was located using the bibliography. The emphasis was on significant specialised literature, including printed books, electronic books, journal articles, survey results and other sources. The author has focused on literature dealing with the volatile working conditions, demands, and traits of

leaders during and after the Covid-19 pandemic. After doing a preliminary review, irrelevant literature was omitted, while the useful sources were analysed and structured in various subjects of the concerned research topic.

The secondary data analysis helped to clarify the present leadership strategy and demonstrated how current the subject is. This was especially necessary in this instance due to the wide range of information available, which gave a solid overview of the subject. It was also utilised to create the expert interview questionnaire which will be covered in the next chapter. In the context of this data preparation, each important and categorise statement was noted, then the key themes were grouped together, and the results were compared in a table sheet. Appendix 2 contains an extract of this assessment. The many arguments on a single subject might demonstrate the wide range of impacts. The strengths, weaknesses, possibilities, and challenges might be prioritised based on this thematic and argumentative structure.

3.2. Primary data (Expert interview)

Primary data are those that are gathered specifically for the given study issue, according to the best practises for that topic. Every time primary data are gathered, new information is contributed to the existing social knowledge repository. An established primary data collection strategy is an interview. Therefore, a representative sample of a target group will be interviewed. An interview is useful when the author wants to gain information about the target group's perceptions, attitudes, feelings and views (Hox & Boeije, 2005).

In the case of this research, semi-structured interviews with a number of chosen corporate leaders were held in accordance with the qualitative method and with reference to the exploratory study. This allowed some flexibility and responsiveness to unanticipated developments during the survey (Saunders et al., 2016). The interview process is divided into four stages: the information phase, introduction phase, major phase, and conclusion phase (Misoch, 2019).

During the information phase, the study's goals and structure are explained to the interview partner. The introduction phase, also known as the warm-up phase, helps to provide the interviewee with an overview of the discussion (Döring & Bortz, 2016; Misoch, 2019). The main part of the interview follows, where the interview's primary subject matter is covered (The closing or winding-down phase is the last section of the interview. The closing phase's goal is

to get the managers who were questioned out of the interview context, put them in another, and help them come to a mental conclusion (Misoch, 2019).

Overall 12 interviews were held. The interviews were conducted in a one-on-one interaction. These were performed either face-to-face or through digital means, depending on availability. All interviews were scheduled between 30 and 60 minutes. They were based on a pre-defined questionnaire and all had a similar strategy. While the interview was aligned with the questionnaire, additional follow-up questions were asked for more details as required in the respective interview. Appendix 3 shows an example questionnaire which was shared with the interview partners in advance. It is important to note that all interviews were conducted in accordance with the general ethical research criteria supplied by the author's institution, and the general data collection regulation was applied accordingly.

A thematic analysis was used to assess the gathered information as shown as extract in Appendix 4. All interviews were summarized and then classified for this purpose. The goal was to draw attention to recurring themes, similarities, problems and potential solutions (Vaismoradi et al., 2013). It was planned which interview partner made which comment in which circumstance to connect them later. The analysis of the data was interpretive. The author underlined and commented on the crucial phrases in an Excel sheet to organise the key terms into the major issues. The generated table and the detailed analysis created a holistic summary of the interviews. This summary emphasised the significance of the problem when respondents spoke about a specific problem one at a time.

In total, it is necessary to conduct a critical and objective assessment while considering the interviewee's position within the organisation. The evaluation must take into account the fact that there was a set time restriction and a constrained number of respondents which limited the extent of the information that could be gathered. In addition, when analysing data, it is necessary to keep in mind that crisis management, leadership development, and dynamic capabilities are considered a continuous process and that just a snapshot can be captured in this task.

3.3. Limitations

It must be taken into account that these interviews display the personal perception of each respondent which might lead to a certain degree of subjectivity and bias. Hence, in the analysis and evaluation of the interview results, it needs to be considered that this subjectivity may lead

to a lack of reliability and representativeness of the primary data collected. Additionally, there is a risk of “over-personalisation” as it is difficult to take into account the influence of the respondents’ emotions. Especially in case when the interviews were conducted online, it is important to note that there was only limited possibility to capture the entire body language of the interviewee which could lead to incorrect conclusions. Lastly, the numbers of conducted interviewees is limited. A larger number of interview partners might have refined the results..

4. Research Finding and Results

The following chapters present the results of the individual interviews. After a brief overview of the company, the various opportunities and challenges for leadership during and after Covid-19 faced by the interviewees are presented including their ways of approaching them. Due to a large number of interviews only the core statements will be focused on.

4.1. Introduction of the Fintech Company

This analysis is being generated in corporation with a German, medium-sized Fintech organisation founded in 2007. More than 300 employees and leaders of various levels currently work at the company.

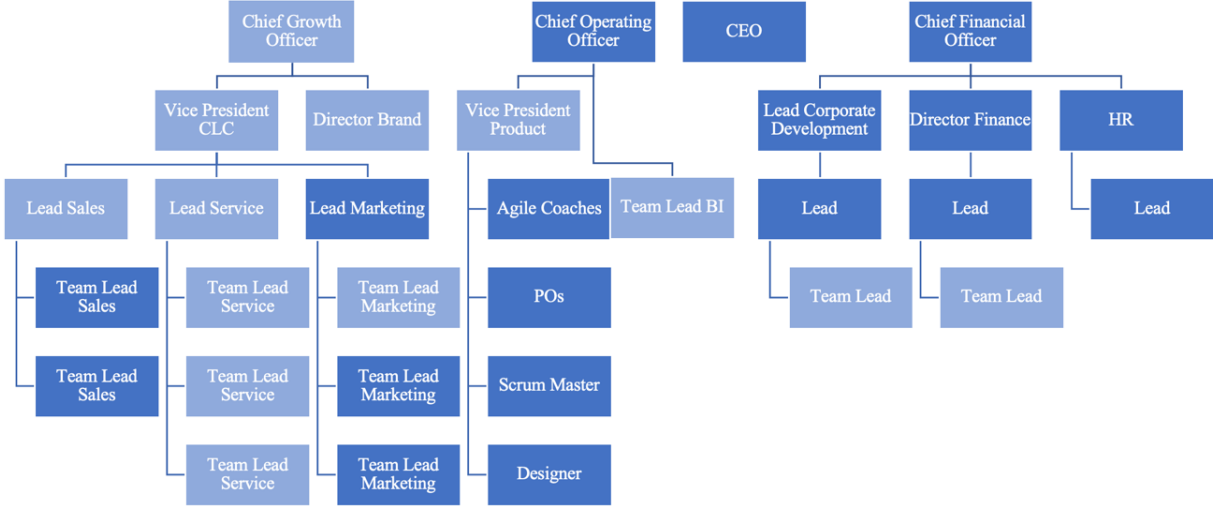


Figure 3 - Leadership Structure of the Fintech Company

Figure 3 provides an overview of the management organisation. During the investigation, six team leads, two leads, one director, two vice presidents, and the chief of growth were interviewed, they are highlighted in light blue. The age of the interviewed leadership circle was within the range of early 30s to mid 50s.

Before the Covid-19 pandemic, all work used to be done from the office, with multiple offices for each department. Before the pandemic started, even a larger building with a modern and attractive architecture and furnishing was taken over where all employees had space to work- However, it could only be completed during the pandemic. Like in most businesses, the work place shifted from office to home office due to the pandemic. Direct contact methods were eliminated from one day to another. Before the pandemic, there was a lot of direct interaction and collaboration between employees.

As in many other companies, there was a lot of uncertainty about the future at the time of Covid-19. Therefore, some employees, including managers, have been placed on short-time work. However, after normal operations could be resumed, there was still no sign of normality. Each department was given the freedom to determine how often they met or if meetings were held virtually. Employees can still decide whether they feel comfortable returning to the office.

Until today, the company has embraced an open corporate culture. It encourages new aspects of work environment-related topics, such as flexible working hours, remote working, flat hierarchies, diverse design and development opportunities, events and parties, free sports offers, and snacks and drinks in the office. However, there is still no company-wide regulation on how often different departments come to the office. The departments decide individually on their own frequency. Some come one day a week, some two to three days (freely selectable), and others about once a month. Furthermore, working from other countries is also allowed after Covid-19.

4.2. Leadership during Covid-19

Leadership has been of great importance to management since the company's foundation. Each leader is granted plenty of autonomy to determine the direction of their team. Even before Covid-19, various manager training and development approaches were tested. These activities were slightly restricted during the pandemic. Afterwards, though, every leader has an allotted budget for general training as well as clearly defined leadership training. These include topics such as communication coaching, situational case discussion, feedback training, and motivational talks. Additionally, the company offers a mentoring program in which experienced managers guide to younger ones. Due to the high degree of flexibility and individuality, the pandemic was dealt with in very different ways. Each manager has identified different

experiences, challenges, and opportunities from the pandemic, which are explained in more detail in the following chapter.

The first interview question aimed at the interviewee's opinion of a good leader requirements ('What do you think makes a good leader?'). Often mentioned as key qualities of a good leader was the independence and responsibility of their employees (6x times mentioned). Emotional intelligence, empathy, openness, authenticity and honesty were all mentioned four times each, with clear goals and a good vision for their employees also being of particular importance. Furthermore, flexibility, security, trust and clear communication should all be provided by the leader (3x mentioned), as well as inspiring and motivating employees, being fair to each individual, having time and putting their needs first, creating acceptance, offering a framework and guidelines, being a good sparring partner and acting as an interface to other departments, and making strategic and economically correct decisions.

Subsequently, the interviewed leaders were asked to identify the most important skills and competences. 11 out of 12 respondents highlighted good communication as a priority, and 9 out of 12 emphasised the need for empathy and emotional intelligence. This is supported by active listening (4 out of 12), making sure everyone is heard also in a virtual environment, and developing trust (6 out of 12) with employees. It was also stated that clear goals and expectations should be communicated, and individuals need to be both inspired and motivated (6 out of 12) while taking responsibility for their actions and being encouraged to challenge themselves. Lastly, a good manager should act as a sparring partner, not just an instructor. For this, a leader must live a good feedback culture. Feedback should be given and sought regularly. Finally, it was noted that a manager should take responsibility for their own actions and be transparent with their employees. Rather than dictating instructions, they should provide guidance and create an environment that allows for mistakes to be corrected. In this way, the manager can assist the employee in fixing any issues that may arise.

The competencies which have been mentioned most by the interviewees are key to overcoming certain obstacles which are seen as general challenges in the business world or as being enhanced or even specifically caused by the pandemic: Communication, Team Spirit and Encouragement, Emotional Intelligence and Empathy, Decision Making, and Trust. These are examined in more detail in the following chapter.

1. Communication

The Covid-19 crisis and the shift to home-working changed the way people communicated. While some respondents did not find it much harder since their department was already digital-focused and involved a lot of remote work, others found it more challenging. They felt there was a barrier between them and the other person since they could not talk face-to-face. To address these issues, it was necessary to set out clear guidelines, such as ensuring cameras were turned on and microphones were switched off when others were speaking. One individual claimed that one-on-one chats at the monitor are more stressful than personal interactions on the job since you cannot see what the other person is doing in the background. It was noted virtual communication had become more impersonal and that employees have found it less accessible. Moreover, the spontaneous exchange that comes with face-to-face interaction has been lost. It is, therefore, more challenging to perceive emotional reactions (facial expressions and gestures). Meeting attention is also reduced if an individual does not feel addressed, with some people continuing to work or answer messages. This can lead to not all information being transmitted as desired and errors occurring. In addition, it was conveyed that some of the conversations during Covid-19 were highly heated since the leader acted as a part-time counselor to allay the person's anxieties. On the other hand, it was emphasized positively that online tools facilitate quick and convenient communication and that communication remains open and valued. Furthermore, it was observed that people sometimes take more time to carefully consider their responses before sending them, thus making exchanges more thought through and prepared.

In conclusion, most respondents made the simple observation that it is required to become more connected with the individual person, that the individual person is more prominent, and that leadership has gotten more intimate as a result. Leaders spend more time with team member and in private conversations. Additionally, it was stated that the management believes they are now more approachable.

2. Build a strong and healthy team and encourage the individuals

One manager specifically told about the experience that the team spirit had been lost during the pandemic because personal exchange was missing and networking with other teams was more difficult. How teambuilding and interactions with individuals are handled within teams can vary greatly. Some leaders let the team decide what they need, while others set clear rules. One

leader explained her concept of three levels of exchange: her own level - personal exchange with each individual; the team lead level – exchange with individual leads every 14 days about professional and private matters; and the level of exchange among employees themselves – joint zoom calls throughout the day, where they work together and have exchanges without managers.

All interviewees agree that revealing something about oneself is key to building a better bond with the individual. Managers must communicate a lot and take a leap of faith to create a ‘we’-feeling. During Covid-19, managers need to show presence and value the employees' work and personal contributions. The individual employee's cooperation and leadership have become more personal, like sharing insights into the personal home of a manager during a video call, partly due to the stronger bond that has been formed.

One of the main issues raised was that some employees without families spent the entire day in their homes, leading to feelings of loneliness in remote working. Managers responded to this in various ways, particularly placing a lot of focus on the individual employee in the beginning and calling them every day to check if they were okay and how they were handling the situation. Additionally, five participants claimed that they had made spontaneous calls to others to see how they were doing. There were also the typical team exchange arrangements which were spread out throughout the course of the week. Eventually, this tapered off as a routine was established. Additionally, a company-wide survey was frequently distributed to determine the wellbeing of the various teams. A sense of 'togetherness' was created by implementing clear rules. Two teams also developed mission and vision statements to better support their members and involve them more actively in decision-making.

Inducting new staff proved to be particularly challenging and time-consuming in the early days of home office. Managers faced the difficulty of integrating the new employees into the team, unable to create a common feeling right away. Intensive onboarding and coaching sessions of 6 to 8 weeks, Get-to-know-you meetings were implemented to overcome this while each new colleague was assigned an experienced colleague to offer support in the initial phase

Leaders helped teams find the best frequency and forms for team-building. Virtual coffee and lunch dates, technical Q&A sessions with agile coaches, company-wide All Hands meetings to present the latest business developments and strategic, and a virtual Christmas party were just

some of the activities. Today, on-site events like Happy Hours, wine-tastings, and bingo are held to bring colleagues together and promote cross-functional networking.

3. Emotional intelligence & empathy

Overall, the interviewees agreed that emotional intelligence and empathy became more challenging due to the lack of physical contact with employees. Managers who had known their employees before the pandemic were better equipped to spot signs of distress, than those with newer teams who had to get to know each other virtually and read facial expressions and gestures on a screen. One leader explicitly mentioned that it was much more challenging to see if the employee was not feeling well. In the office, you could quickly identify it by their clothes, gait, or posture. To combat this, managers should take an understanding, positive and active approach, raising questions in one-to-one conversations and addressing concerns since it was harder to show physical support during the pandemic times.

Nearly all interviewees reported that they strive to always maintain an open-door policy, allowing employees to come to them with any questions or issues, work-related or personal, and that to be good listeners. The large number of meetings held facilitated this. Despite this, leaders needed to continuously reflect on whether they have done enough to support their staff. Leaders should bring humor and lightness to meetings to keep the mood positive. Preparation for individual appointments is vital for managers who should be attuned to each person, actively looking for changes in behaviour, and taking time to listen to needs and problems. Observing and learning to read between the lines in virtual communication is needed. Transparency, shared observations and open communication are also key. Finally, to build and strengthen trust, the leader should offer continuity and stability.

4. Decision-Making

Almost all managers agreed that decision-making mainly depends on the individual, making it impossible to conclude whether the pandemic has made decision-making easier or harder. While communication via teams or Slack enabled some decisions to be made more quickly and easily, others, such as dismissal, presented a greater challenge. It was noted that not all situations could be solved ad hoc. Some decisions require time and a commonly developed plan. Three of the managers noted that they found decision-making slightly easier as they had more time for consideration. However, it was noticeable that decisions made in home office

often had to be made alone, which is seen as an impediment. Managers needed to actively seek out a discussion partner for a second opinion.

One individual shared that decision-making can be more difficult in home office because remote working necessitates a deadline-oriented approach. As a result, making big decisions are often broken down into smaller ones which can cause the overall aim to be lost. On the other hand, this gives more time to reflect and meditate on the decision without being disturbed.

5. *Trust*

The majority of interviewees determined it difficult to build trust during the home office period. They experienced that team members isolated themselves and felt uncomfortable opening up and letting others enter their private space at home. To counteract this, nine out of twelve leaders experienced the need to go the extra mile and revealing something personal about themselves. With this personal level, a new relationship of trust could be established as a result. This leap of faith gives employees a sense of security and stability and makes the manager appear more authentic. They realize that they can share things and not just have a one-sided conversation. One leader experienced no direct change as she already had a very close and trusting relationship with the team leads, strived already to be a good leader by being a positive example and role model supporting each team member. However, in other departments resource uncertainty was a great deal which made the team apprehensive. It was challenging for the manager to keep the staff motivated and convince them that their work matters.

One manager highlighted trust building is often unplanned. The fully remote or hybrid model lacks this spontaneity, though. Hence, the managers agreed that trust is best built through regular meetings and conversations, active presence, and clear communication in the new way of work. However, they also noted that trust is a slow process requiring both the managers and employees to be eager to build a good relationship.

Another leader said that a manager needs to demonstrate reliability and trustworthiness by taking commitments and obligations seriously. If any issues arise, they must be addressed quickly and discreetly, so as to not disrupt the trust between managers and employees.

It is clear that trust should not be taken for granted. An iterative process of reflection on whether the manager trusts the team and vice versa as well as a healthy environment where employees

feel looked after with a clear contact person and no sense of loneliness is impertinent. Providing freedom and empowerment is key, and in the post-pandemic situation, it is especially important to offer opportunities for in-person meetings, as this can further strengthen trust.

6. Further challenges, changes of priorities & the new demands of leadership

At the pandemic's start, managers found it difficult to decide which topics were most important as the future was uncertain. Furthermore, some employees lacked laptops with cameras causing technical difficulties. As a result, there was a lot of trial and error with leaders needing to re-prioritize what was essential and which meetings could be adjusted or cancelled. The leaders also mentioned that they had to introduce a new system that made delegating tasks challenging. In addition, it became important to create a balance and take active breaks and time to reflect. According to the interviewees, these additional challenges led to an increased workload, but productivity remained high as employees worked faster and more efficiently. Although employees also showed more initiative during the pandemic, the manager's efforts in keeping everyone on track increased. In addition, interaction and exchange between different teams were likewise highly challenging.

7. Requirements of one's own manager

All managers reported that their superiors' demands have remained consistent throughout the pandemic. They stated that senior leaders continue to prioritize employee satisfaction, transparency, and an open culture of communication and decision-making. Most managers reported that they have a great deal of autonomy in shaping and executing their own leadership which is made possible by the high level of trust within the leadership circle. Additionally, personal development is well-supported in the leadership circle. One manager noted that she feels the need to communicate more clearly as a leader to better bridge the gap between her employees and upper management, who have less face-to-face interaction. The importance of giving clear assessments and explaining the consequences was highlighted. Lastly, the leadership circle was said to be an excellent resource for support and guidance in all areas.

8. Requirements of one's own employee

When it comes to the expectations of their employees, managers said their teams need clear structures and exchange formats especially in these uncertain times. Therefore, executives should provide a well-defined framework and offer their assistance when setting up new meeting structures and reporting systems. It was also underlined that employee satisfaction and

transparency regarding the company's direction in crisis times are essential to maintain the employees' trust. Therefore, employees desired frequent and diversified exchange formats. Moreover, it was noted that the questions from the employees have changed, not only becoming professional but also personal.

9. Personal development and support of the company

All leaders agreed that professional development is essential. However, they handle it on an individual basis. The company has a management training and mentorship program to assist managers in their development. Despite this, all managers strive to progress with their development, creating different tactics and strategies. These may include online courses such as LinkedIn Learning, individual coaching and trade fairs, and reading trade journals, blogs or books. Additionally, they connect with other leaders, internally and externally, to gain insight into specific issues or topics and take the time for reflection and feedback. To this end, some take entire reflection days while others spend the day mulling over their thoughts and trying to work through them. Some even maintain an executive diary to help them in this process. However, the Covid-19 pandemic has also facilitated much learning by doing. Many reported feeling well-supported by the company but noted a need for further development in some areas such as individual coaching and handling situational issues. It was suggested that the company provide more structure in certain areas to ensure more uniform action in times of crisis.

10. Leading and working in the future

Asking for their future perspective, all the interviewees were in agreement that the Covid-19 pandemic has propelled their company forward and that working from home has become the norm - something that can no longer be imagined without. Three-quarters of the managers stated that their current approach of allowing internal teams to decide how often they come into the office is the ideal solution and is seen as a positive model. They also praised the fact that it is possible to work and lead from abroad for up to three months. Most believe that trust and flexibility must be maintained in the future to guarantee employee satisfaction. The company should also strive for transparency at all levels so that everyone feels secure in the virtual world. Leadership in the future should focus on inspiring and challenging staff individually. Despite the home office, the organisation must make an effort to create an emotional bond with its employees and create spaces for communication.

One person stated leading the future heavily depends on external circumstances. The more threats come from the outside, and the more focus needs to be on the inside. In times of crisis, companies must take a clear stance on their appearance, their position as an employer, and the recruitment and maintenance of good workers. Modern leadership styles, personal initiative, and empowerment should be encouraged, and companies should back their managers with the necessary expertise. With advancing digitalization, managers must be prepared for the new requirements and conditions to be able to face future crises. The individual will remain the focus of leadership in the future.

Someone suggested that trust-based working hours should be implemented for greater flexibility for employees. Additionally, it was proposed that flat hierarchies should be kept or further reduced and that leadership should involve more guidance and support, rather than a lot of instruction. The findings and statements made here from the different perspectives will now be analysed, compared, and assessed in the following chapter.

5. Analysis

The interviews aimed to identify the key challenges the leading managers faced during and after Covid-19. It proved that their obstacles and hurdles, as well as opportunities merely correspond with the ones found in the literature: communication, forming and maintaining strong teams, emotional intelligence and empathy, making sound decisions, and building trust with employees proved to be key aspects in times of crisis. The pandemic caused alienation, commitment issues, mental and physical health problems, and uncertainty about the right decisions leading to instability in businesses, all of which leaders must address. However, it is also to assess the approach and system of identifying, attacking, and benefitting from these challenges and opportunities and how to set them into the previously described framework of adaptive capabilities.

Comparing the required skills and competences of leaders defined in literature with those evidenced by the company's leaders, it is clear that the priorities of the respective skills and competences have only been shifted and used differently in some cases during the crisis. For example, the Fintech team has demonstrated an openness, friendliness and a willingness to listen which has enabled communication to be perceived as objective and appreciative. Regular meetings, one-to-one conversations, check-in calls with teams and clear strategy plans for their

own team have been to find the right tool and frequency to best meet each employee's individual needs. This has allowed the leaders to show their value of the individual and to advocate for their interests. This approach has also been confirmed in the literature.

The strong uncertainties of the pandemic made it essential to invest in good digital infrastructure and equip all employees and teams with the same technical capabilities. The analysis of the investigated company and literature have both presented this as a challenge, yet it has been successfully overcome. Nevertheless, the modern infrastructure can be further expanded in the future, and newer tools and technical developments can be integrated. The new working environment highlighted the need within the respective team for new rules to ensure open and respectful communication, which apply to for every team member. Such rules demonstrate equality and appreciation for others while also providing a framework and structure. This team-internal approach of setting clear goals, visions, and rules gave the staff the necessary structure and confidence for effective and efficient communication. The pieces of training were aimed at the challenges. This correlates with the findings in the academic literature.

The issue of insecurity and anxiety about the future has been clearly identified in the literature and by the interviewed managers of the Fintech company as one of the core challenges in crisis. According to both findings, it is imperative to tackle this challenge appropriately and effectively. Leaders have to set a good example in the face of uncertain times, offering employees a greater security and stability. An open, appreciative, and transparent attitude, along with involving staff in decisions and providing necessary information about internal and external changes, strengthens the bond between staff and managers, as described in the literature. Additionally, constantly motivating staff during the pandemic and conveying that their work provides value and makes sense shows the strength of individual leaders and their inspiring and supportive nature. To combat loneliness, staff were offered both regular in-person and group exchanges, as well as open Zoom rooms to work together. The Fintech company successfully implemented this.

The external environment being so uncertain, it was all the more important for the Fintech leaders to ensure the well-being and security of their employees. This was achieved remotely and through creative solutions through regular, good exchange formats. A particularly positive approach was that managers called their employees spontaneously, especially at the beginning of the pandemic, to check how they were doing and what was bothering them. This showed that

the managers' primary focus was on human welfare rather than economic success in times of crisis. It is clear that the company places great importance on the personal needs of its employees, going beyond what is suggested in the literature. Nevertheless, it is worth mentioning that the company had already attached importance to the well-being of its employees before the Covid-19 crisis. This exemplifies good leadership, as the company puts the individual needs of its employees above all else.

In addition, the relationship between managers and their teams was assessed critically by theory and investigated by the company. The fact that the employees repeatedly emphasised that they were given the feeling to always turn to their managers with any problems, professional or personal problems showed the managers' empathy and understanding. However, in this regard it is important to consider that only the leaders' perspective was surveyed, and employees could not express themselves. Thus, the impact of this cannot be fully verified. However, they revealed a lot about themselves and asked open questions to address any issues directly. Providing the option for employees to approach leaders outside of regular appointments and after hours further showed the company's emphasis on communication and human needs. The employee survey was conducted to express their opinions and thoughts anonymously. This enabled them to drop the barrier on the digital level and led to spontaneous thoughts being expressed online. Regular intensive exchanges in the home office strengthened the bond with individual team members, and an insight into their own homes was given. This empathy was an effective approach to building a good relationship. The managers have proven to be proactive and supportive of the relationship, although it was rightly criticised that the employees must also aim for that. It can be said that the managers have tried a lot to implement what has been described in the literature and to prioritise the well-being of the employees in times of crisis.

In order to foster a sense of togetherness even in times of home office, the Fintech teams came up with a variety of mutual activities even in lockdown. The company demonstrated its commitment to building strong relationships with its employees by providing them with pleasant surprises. They even have a dedicated team to find something special for everyone. While the literature and interviewees pointed out the essence of rationally considered decisions, the management team of the interviewed company presented itself as having acted quickly and responsibly in weighing up possible risks and analysing new developments. The leadership team proved a progressive approach in the decision-making process. Setting a good example,

they have involved their team in important decisions and have taken the time to thoughtfully consider the end result while working from home.

Overall, it has been proven that communication is not only a challenge that significantly increased during the crisis due to home office and lack of personal contact. Both the literature and the investigated company highlighted that communication in total is the essential key to success. May it be related to strengthening the team, providing transparency and support, establishing a secure level of trust and security, or even facilitating decision-making – communication is the core basis. Furthermore, the way and measure of communication, the level of intensity, empathy and frequency of interactions as well as the importance of exchange throughout the entire organisation have been clearly identified as success factors for effective compensation and solution to overcome all faced challenges in crisis. The approach that each individual leader has chosen and the experienced results of each team contributed a positive effect to the crisis development at the Fintech organisation.

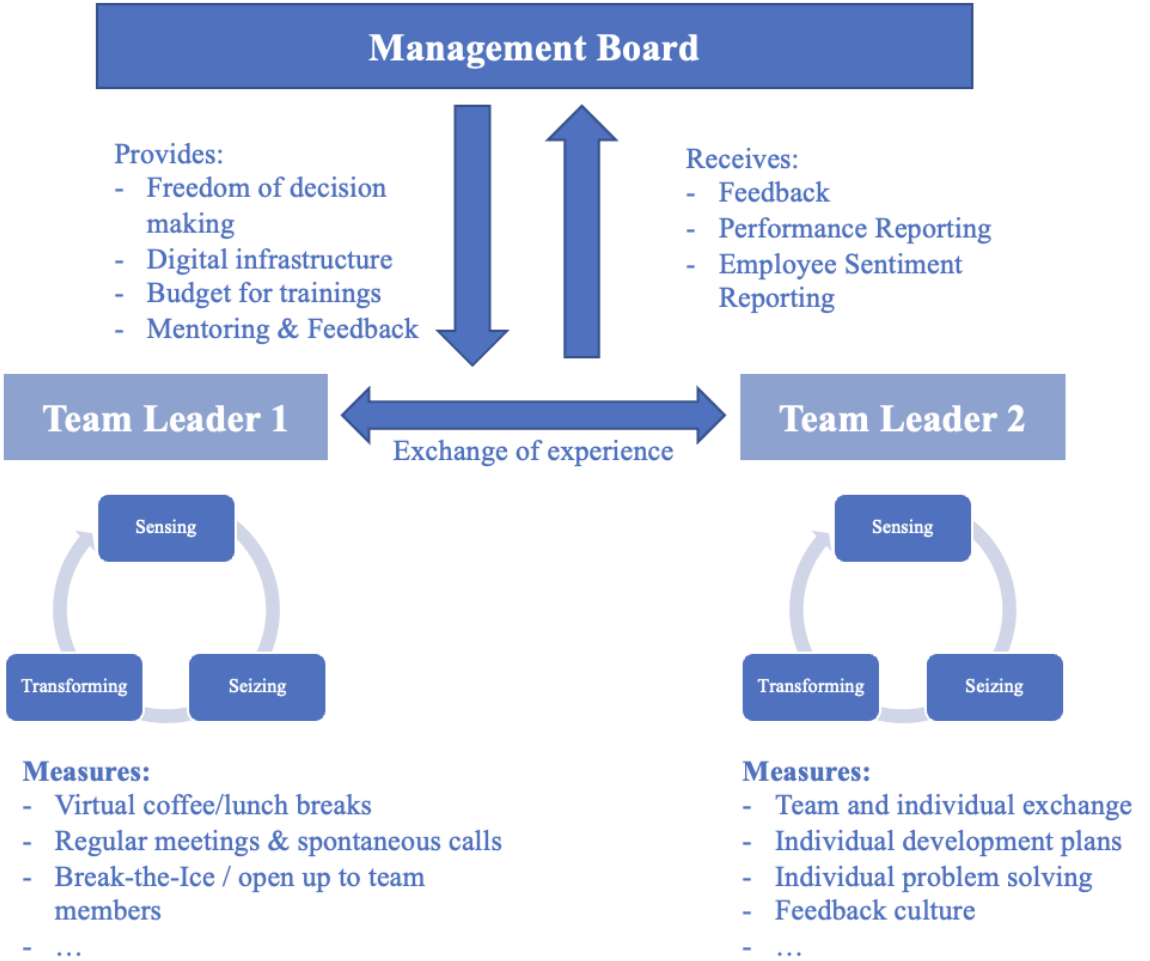


Figure 4 - Processes within the Fintech Company

In general, the company has shown itself to be highly dynamic and adjustable to upcoming crises. As a result, its teams and managers can work and act flexibly against new challenges.

As shown in Figure 4, it was identified that the team leaders were not provided with a rigour framework or concept to identify, analyse, counteract, and reflect on certain emerging situations, opportunities or threats by the highest management. An iterative, circular concept as suggested by Schoemaker, was not directed from above to each team leader. Nevertheless, each manager seemed to subconsciously apply a similar approach like to Schoemaker's. They operated indirectly in a rather spontaneous way following the core concept of Schoemaker's framework. Changes and new situations were identified and analysed while new strategies and solutions were forged and implemented by each manager him-/herself. Mainly due to the lack of a structured method given from the highest management level, each manager was free to decide how to tackle the situation the best and investigate and define their employees' requirements and needs specifically. As a result, each manager successfully assessed the situation for themselves and their team, determining what their individual employees needed (sense) and then creating new solutions and concepts (seize) before putting these into action (transform). This led to an individual application of the Shoemaker concept which was not commonly implemented in the entire organisational processes.

However, this lack of uniformity and clarity in the company's processes also started to raise demand for more support, guidelines and recommendations in the future, particularly regarding further training. Despite this, the management group has coped well with the pandemic, learning by doing and applying many successful solutions due to their strong relationships and flexibility. Each manager has worked hard on their own tasks, leading to positive development. In times of crisis, forming a unity is especially important and it is something that should be emphasized in the future. It was further demonstrated that the important leadership skills did not change significantly during the pandemic. It seems that the managers' priorities shifted, though. While for example communication and trust have always been important, they have become essential now. An interesting fact in this regard is that the pieces of training provided to the interviewed team leaders even before Covid-19, were already specifically focused on the identified key areas and qualities during crisis. In addition, managers now prioritize the well-being and health of their employees even more and provide flexibility and freedom for personal growth. This investigation of the Fintech company has proven that the competence and the

capabilities of its own staff are the core assets of the company and key to overcoming any future challenges.

Overall, the company has demonstrated strength and progress during the pandemic, creating many new opportunities and strategic directions and changes forward. Virtual working and leading has become the norm and hybrid teams have been working together across national borders. The described Schoemaker model can provide guidance and can help to question themselves and analyse their progress. It could be included in a training course so that the individual employees also work with the system independently.

6. Conclusion

The VUCA conditions have become more prevalent than ever during the Covid-19 crisis. The pandemic served as a wake-up call in which the unusual and unexpected became more real and more probable than previously imagined. Businesses had to constantly face new and rapidly changing challenges, which for their part had a significant impact on leadership and its demands. Leaders have encountered entirely new challenges as well as new opportunities. Therefore, this thesis examined these challenges and opportunities, the areas where they appear, and to what extent leadership has changed. Additionally, it explored the concept of dynamic capabilities and their role and importance within crisis. Finally, the thesis illuminates a specific company in the fintech sector concerning its leadership performance during the Covid-19 crisis. These findings are supposed to aid in learning and reflection in order to be better equipped for future crisis management.

During the pandemic, five critical areas emerged as particularly important for leadership, including effective communication, building a strong team, emotional intelligence and empathy, sound decision-making, and trust. These areas were explicitly highlighted and reflected also by the investigated company.

Regarding the fintech company, it has been evaluated that, even though its crisis management and top-down approach were not entirely clear, organized and predetermined, the company succeeded in coping with the challenges that were caused by Covid-19, and proved team-internal and individual strong dynamic capabilities which were even applied on that level in an indirect manner. The company has shown itself to be highly reflective. By developing more structured processes and implementing a clear dynamic capabilities concept in the entire

organization, its future prospects can be even further strengthened. For a clear and transparent reflection and lessons learned, the leadership teams need to review and analyse their performance during the any crisis. All levels of leadership should be involved in this process.

Overall, it has become evident that a solid foundation for crisis management is crucial, encompassing effective and efficient communication, a robust technical infrastructure - which was especially important during the Covid-19 crisis - and a clear concept and process to maintain the company's dynamic capabilities at a high level. To ensure success in such an uncertain, disruptive, and ever-changing environment, business leaders must take bold action in four key areas: inspiring their workforce, advancing technologies, optimizing operations, and continuous reflection and self-control.

In conclusion, the results of the work offer an insightful look into the current situation and provide motivation for further research. However, further in-depth studies need to be conducted to gain a more comprehensive understanding of the problem. Furthermore, since only a brief snap-shot was taken in this work, a long-term study including multiple companies could provide a more reliable and extensive data set in order to gain a holistic picture for broader conclusions and comparisons of this crucial area of research. Furthermore, it would be interesting to explore the employees' points of view to determine if the assessment and evaluation of the managers are consistent.

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Appendices

1. Appendix 1 - Literature Dataset: Challenges and Opportunities in Crisis

	Post-Pandemic Office Work: Perceived Challenges and Opportunities for a Sustainable Work Environment (Maral Babapour Chafi, Annemarie Hultberg and Nina Bozic Yams)		Positive and negative aspects for leaders https://www.bmwk.de/Redaktion/DE/Publikationen/Industrie/industrie-4-0-impulspapier-die-arbeitswelt-nach-der-corona-pandemie.pdf?__blob=publicationFile&v=8		Problems of modern leadership - https://www.forbes.com/sites/forbesbusinessdevelopmentcouncil/2021/03/04/14-big-challenges-modern-leaders-are-facing-and-how-to-overcome-them/	
	Opportunities	Challenges	Opportunities	Challenges	Opportunities	Challenges
Communication	Better communication; spontaneity and variety as opposed to back-to-back online encounters	Choosing the right communication - navigating greater complexity and ambiguity while not always having the answers	Easier and cheaper to get in contact	No more short, spontaneous, informal exchanges + lack of personal exchange		Social Interaction and open communication could be challenging
Strategic Thinking	Developing fresh strategies to inspire staff	Issues in transitioning from office to remote employment in terms of mentality and culture - Recognizing change	No top down management anymore, today it is a kind of "coaching"--> on an equal footing with the employee		- Developing a strategic vision for the organization - Identifying opportunities - Making decisions to help the company move forward	Focus on the right and important task
Emotional Intelligence & Empathy	Faster implementation of self-leadership techniques	It's challenging to understand what's happening to co-workers and how they feel & recognising tiny cues and gauging employees' true emotions			- Modern leaders must be able to develop the leadership capabilities of their team members - Provide guidance and support to help team members become better leaders	
Decision-Making		Insufficient encouragement for making decisions and feedback on task progress - juggling task-specific productivity with innovation, growth, and learning - navigating greater complexity and ambiguity while not always having the answers	No top down management anymore, today it is a kind of "coaching"--> on an equal footing with the employees			Reaching decision Makers
Flexibility	The commute time saved can be put to better use for learning and reflection. - more time to spend with friends, family, and pets - mixing opportunities for office and remote employment - working in nature while outside	Constant accessibility and alerts - putting limits on how much time is spent at work	Acceptance for videoconferencing has increased - time saving - "Recruitment of new staff works better than expected. Digital interviews, have required managers to rethink, adapt and be creative"		Modern leaders must be able to quickly and effectively adapt to changing environments. This involves being able to identify and seize new opportunities as they arise.	

2. Appendix 2 - Literature Dataset: Critical Areas of Leadership

Author	Emotional Intelligence & Empathy	Communication	Decision-Making	Flexibility	Trust	Interpersonal Savvy
Dirani et. al, 2020	In the future and after the epidemic, employees will look up to leaders to assist them overcome a variety of emotional and personal issues. Leaders will need to identify each person's unique issues and assist them in resolving them. During COVID-19, leaders may take steps to enhance communication by empathising with subordinates, really caring about and prioritising workers, and constantly being present and setting an example for others to follow.	Leaders must be open and honest in their communication, maintain composure and set a good example for their followers, support their team members' safety and well-being, and be factual, compassionate, and straightforward.	Making decisions should be done with confidence, action, and encouragement. Therefore, leaders must make sure that their operational and decision-making processes reflect an agile and adaptive mindset.	Flexibility may help leaders better understand the fundamental concerns of their workforce and, ultimately, respond to difficulties effectively by making the right strategic decisions.	Leaders may gain the confidence of all stakeholders in the business and in themselves by being able to convey a succinct message that reflects the complexity of the situation and outlines the next steps.	They may go through terrible situations, they will need to learn how to handle complexity, they will need to adjust to the new realities of work, and they will require interpersonal and emotional support.
Ferry, 2020	When the pace and bias for action are too great, take a step back to consider, learn from, and plan. Recognize the tension that other people are experiencing. Recognize that beyond the surface of corporate problems, people are often dealing with personal and family challenges. Demonstrate your concern for them rather than the business alone.	Tell the true tale while communicating with realism, clarity, honesty, and consistency. Leader should change their negative attitude to one of "we will get through this together."	Leaders must be aware of fear-based, reactionary decisions and must inspire people with courage, enthusiasm, and positivity. They must make the difficult decisions on purpose and with courage.	Be flexible in times of crisis	Provide trust and be there for your employees	Leaders should be competent in dealing with people
Porkodi, 2022	Managers must be accommodating if a worker has to log out for personal reasons during regular business hours if they have already finished their duties. In distant working contexts, empathy is crucial since the future is uncertain. Leaders must demonstrate empathy and recognise the speed at which certain factors may change the workplace.	It is time for leaders to set a policy and give both direct and indirect communications priority & be frequent in the connection. Leaders must make the most of their limited time by emphasising straightforward reporting, engaging in constant hands-on learning, and making direct communication a priority.	Employees need to believe that the leadership is considering them when making crucial choices that may affect their work schedules in the future. They should also know that they are vital to the business.	Increase flexibility		
Koehn, 2020	Address their followers' concern without increasing it	Use a regular structure or medium for communication. Skillfully switch between expressing ruthless honesty and believable optimism	Take action despite uncertainties			
Total	12	13	11	7	9	2

3. Appendix 3 - Exemplary questionnaire for an interview

Course of Study: Business adaptive strategies in crisis

Student: Franziska von Rhade

Supervisor: Riccardo Reis

a) Information Phase:

I appreciate you agreeing to participate in the interview. I am interviewing numerous managers as part of my master's thesis. My research aims to pinpoint the development of leadership during and following the COVID-19 crisis.

Additionally, I would like to assure you that the protection of your data is guaranteed. If you agree, I'll videotape the conversation. I will write down your mentioned experiences for the evaluation while obscuring names, places, personal information, and specifics about the department and the business. I'll make sure it's impossible to identify the interviewee and company.

b) Entry Phase

The Corona outbreak sparked a major transformation in our industry, society, and economy from one second to the next. This rapid shift had also a significant impact on leadership. Unexpectedly, working from home offices was made available, along with leadership at a distance and no direct social interaction etc. Due to that, the role of the leader has changed in the business world with significant impacts on its tasks, requirements, and expectations. I want to examine the new challenges and potentials the leader faces as well as future areas of responsibilities and effects on the leader's behaviour in the new working environment in a long-term view.

c) Main Phase

Over the last two years, you have likely had a variety of experiences with your employees' leadership. I would like to get a glance of it.

Questions on the subject of the survey:

1. What do you think makes a good leader?
2. What skills and competences are important to you as a leader? What do you value most when dealing with your team?
3. What has changed in your working environment through and after Corona?
4. Can you tell me something about the change in your role/activity as a leader?
5. What challenges and difficulties have you encountered?
6. What did you do to counteract these challenges?
 - a. What ad hoc measures did you use during Corona?
 - b. How do you manage it today in the “post-Covid world”, what has been adapted?
 - c. To what degree have the new forms of work affected the expectations placed on leadership work on a daily basis with their blend of presence and virtuality?
7. How have the priorities in your role changed? What do you value in this new work environment? (Has something increased, have other things taken back?)
8. In the context of this adjustment, what are your manager's requirements and your staff's expectations of you as a manager?
9. How do you approach the changes in your role? (Self-reflection, coaching etc.)
10. How does the company support you? What kind of guidelines and instructions are given?
11. How do you assess your personal development within this framework?
 - a. Where do you see your strengths?
 - b. Where do you see potential for you and the company?
12. Are there any other aspects that are important to you in this context/on this topic?
13. What are the biggest lessons learned from the crisis for you as a manager? Please describe it in one sentence.

d) Closing Phase

Do you still have concerns about our explanation of the major topics that we haven't addressed yet? Is there something you want to add, please? Finally, I would like you to respond to the factual questions below:

Gender:

Age:

Position in the company:

Years of professional experience as leader:

Experience as virtual leader:

Number of employees in the team:

We have now reached the end of the interview. I sincerely appreciate you taking the time to speak with me. Once I have finished my master's thesis, I would be pleased to share my main conclusions and findings with you about virtual leadership in the COVID-19 situation.

4. Appendix 4 - Extract of the Interviews

Hauptfragen		Interview 1 Team Lead Service	Interview 2 Lead Service	Interview 3 Vice President CLC
2. Welche Skills und Kompetenzen sind für Dich als Führungskraft wichtig? Worauf legst Du im Umgang mit Deinen Mitarbeitern besonderen Wert?		<ul style="list-style-type: none"> · Klare Kommunikation · Aktives Zuhören und Verstehen · Klare Erwartungshaltung · Seinem Gegenüber auf Augenhöhe begegnen und deren Anliegen wahrnehmen (damit dem Gegenüber das Gefühl vermittelt wird, ich werde gesehen und gehört bei (Anliegen, Problemen oder Hindernissen)) -> Vertrauen · anderen Gehör verschaffen · Zusammenhalt schaffen · Personen befähigen · Präsenz & Zugehörigkeit zeigen · Potentiale erkennen (emotional intelligence) · Andere motivieren, Dinge anzustoßen und mutig zu sein · Dinge eigenverantwortlich umzusetzen · bei Fragen und Problemen immer unterstützen, aber nicht die Lösung vorweg nehmen 	<ul style="list-style-type: none"> · Empathie · Feedback geben können (in beide Richtungen) · Hohes Maß an Selbstreflektion · Wirklich wollen, dass Menschen sich weiterentwickeln · Kommunikation auf Augenhöhe · Vertrauen in mein Team: Kaum/wenig Kontrolle · Reifegrad entsprechend · Sage den Team Leads nicht, was sie machen sollen · Vernetzungen stärken (innerhalb & außerhalb Company) · Hohes Maß an Transparenz (sofern möglich) · Transformational Leadership mehr als Transactional Leadership 	<ul style="list-style-type: none"> · Empathie · Transparenz · Fördern & Fordern · Vertrauen · Offenheit · Leitplanken festlegen um Führungskräfte bestmöglich zu unterstützen · Ziele festsetzen · Empowern, sodass Leute über ihren eigenen Schatten springen müssen · Mentor · das richtige Team aussuchen um die eigenen Schwächen auszugleichen und somit das perfekte Team zu bauen
3. Was hat sich durch und nach Corona in eurem Arbeitsumfeld verändert?	Arbeitsumfeld	<p>Vorher:</p> <ul style="list-style-type: none"> · früher immer im Büro · man hat die Kollegen gesehen und auch direkt gemerkt, wenn es dem einen oder anderen nicht gut geht · gab viele spontane Austausche <p>Während:</p> <ul style="list-style-type: none"> · durch Corona kam es dann zu 100% Homeoffice · Leute haben sich nicht mehr gesehen, alle hatten anfangs die Kameras aus --> alle mussten die Kamera anmachen (klare Regeln) · man ist schneller auch in einem privaten Raum --> durch Homeoffice haben alle einen Einblick in die privaten 4 Wände <p>Heute:</p> <ul style="list-style-type: none"> - Homeoffice Tage sowie auch Bürotage, man versucht Termine auch persönlich zu erledigen - teilweise gehe ich mit den Mitarbeitern durch den Park, auf die Dachterrasse, ich bin viel flexibler 	<p>Am 16. März 2020 kam die Mail von unserem CEO, dass wir mit sofortiger Wirkung alle ins Homeoffice gehen sollen</p> <ul style="list-style-type: none"> · Bis dahin waren 99,5% aller MAs 5 Tage die Woche im Office · Von Dienstag auf Mittwoch alle Meetings online · Netzwerken ist schwieriger geworden, da man sich seltener sieht + unpersönlicher · Mittlerweile wieder einfacher, weil wir nach 2,5 Jahren HO wieder ins Office gehen können ohne großen Einschränkungen entgegenzusehen (Bsp. nur eine bestimmte Anzahl von Personen darf ins Office) · Führung ist noch persönlicher geworden, da man heute mehr Kontakt zu jedem Einzelnen hat · Ort des Arbeitens hat sich verändert (Bspw. arbeiten aus dem Ausland) 	<ul style="list-style-type: none"> · Vorher: · Vollzeit im Büro · enger Austausch mit Kollegen <p>Während:</p> <ul style="list-style-type: none"> · keine Kurzarbeit & Homeoffice (allein am Schreibtisch/ Küchentisch) · kreativ & konzeptionell online · einige Neueinstellungen · keine sozialen Kontakte mehr <p>Heute:</p> <ul style="list-style-type: none"> · teils Büro (10%) / teils Homeoffice 90%
	Rolle mit dem Mitarbeitern	<ul style="list-style-type: none"> · heute gehen Austausche etwas schneller, per Slack/ Huddle · schafft eine andere Form von Nähe · Mehr auf Eigenverantwortung und Vertrauen, gibt dafür unterschiedlichste Kontrollmöglichkeiten -> die Mischung aus Vertrauen und Kontrolle ist gut! · gibt dem MA einen großen Vertrauensvorschuss) 	<ul style="list-style-type: none"> · stelle den Einzelnen in der Vordergrund und versuche offener und transparenter zu sein, soweit es möglich ist 	<ul style="list-style-type: none"> · sind sehr viel strukturierter geworden · dadurch Effizienz gestiegen · Zwischenmenschliche ist aber verloren gegangen · Spontane Austausche sind verloren gegangen (spontane Ideen kommen nicht mehr vor)