

**INTERNATIONAL JOURNAL OF LAW
MANAGEMENT & HUMANITIES**
[ISSN 2581-5369]

Volume 4 | Issue 1
2021

© 2021 *International Journal of Law Management & Humanities*

Follow this and additional works at: <https://www.ijlmh.com/>

Under the aegis of VidhiAagaz – Inking Your Brain (<https://www.vidhiaagaz.com>)

This Article is brought to you for “free” and “open access” by the International Journal of Law Management & Humanities at VidhiAagaz. It has been accepted for inclusion in International Journal of Law Management & Humanities after due review.

In case of **any suggestion or complaint**, please contact Gyan@vidhiaagaz.com.

To submit your Manuscript for Publication at **International Journal of Law Management & Humanities**, kindly email your Manuscript at editor.ijlmh@gmail.com.

Performance Evaluation of a Business Leader During COVID-19

DR MASOOD AHMED¹

ABSTRACT

Ample research is available on leadership qualities, behaviour and successful relationship with employees. The research articles specifically probe the desired leadership qualities during a crisis. It is important to have a suggestive methodology to assess the performance of a leader based on quality. The research focus is on HRD practices to evaluate leadership quality in contrast to the financial evaluation, where leaders ability to expand the market and profitability is of prime importance. COVID-19 situation is too complicated for a simple solution or a solution that make everyone happy. It needs a balancing act between various stakeholders. A leader's quality is to make a difficult decision in difficult times and convince various stakeholder to accept and work for an organisational goal. The research probe into various leadership qualities, and their measurement means to identify successful leaders.

Keywords: COVID-19, Leadership, Performance Evaluation, Crises Management, Human Resource Accounting (HRA)

I. INTRODUCTION

In theories, plenty of literary evidence available to measure leadership skills and styles. Present scenario demands specific criteria to deal with worldwide pandemic and how individual company top management performs during the crises. The direct measurement tools include a change in the market share, sales and profit, production capacities, working hours lost, supply line disturbance and distribution bottlenecks. Studying direct measurement tools and finding the variation to compare before and after effect of COVID-19 and applying it on a scale will provide empirical evidence of leadership quality.

Indirect measurement includes the decision taken to fulfil social responsibility, and it includes employee and customer welfare. It is easy to downsize when a company is facing a reversal of demand under cost-cutting measure, at the same time when the market is facing a shortage of goods, and there is an opportunity to raise product price. However, conscious decision not to take the extra benefit requires worthy explanation and should be evaluated

¹ Author is an Asst. Professor at Jazan University, Jizan, Kingdom of Saudi Arabia.

separately. It should be compared with possible leverage under the social benefits without surrendering the market to any competitor.

(A) Literature Review

It is vital to evaluate leaders and their associated traits during the epidemic. Normal circumstance promotes competitive leadership qualities, but it was extraordinary times which brings out great leaders. Their qualities and traits like professionalism, visionary, versatile, innovator, committed, communicator and motivator need to be examined under challenging conditions.

Neil Hamilton mentioned the five elements in his paper, emphasising multiple measures to assess the elements that measure professional knowledge. The professionalism is not limited to a single field, but it is applied everywhere, it improves personal conscience professionally. Tools are there to check moral sensitivity like Interpersonal Reactivity Index (IRI), moral reasoning where tools like Kohlberg's 6-stages of moral development may be used in the Moral Judgement Interview (MJI) or Defining Issues Test (DIT)

A research conducted by Ayu Nindayati to evaluate core leadership values, where Nanus (1992) visionary leadership competencies are tested under behavioural indicators (Direction setter, Agent of Change, Spokesperson and Coach)

Sandra et al., in their research, investigates commitment through content analysis and concept mapping. The commitment factor is positively related to financial performance, but organisations find it challenging to increase their employees' level of commitment. Industrial and organisational psychology has literature to prove the scientific relationship, and HR utilise the concept in their hiring. However, committed business leaders are the one who carves the way for a better future for the organisation. The study marks the emotional attachment, level of identification of goals and values of the organisation. The findings establish emotional attachment is the reason behind the extra contribution and desire to perform better than others.

Versatility is necessary to stand out from a crowd and be a leader to guide different employees with different commitment and goals. William Arruda is his column for Forbes, define the importance of versatility in a generalised form.

In his article, Danielle Kost emphasises on innovation and how their ability to resolve complexity unite workers around the organisational mission and help them focus on high standards without getting distracted. At the same time, Maureen Metcalf defines key crises leadership skills, where she asked the leader to be a 360-degree thinker with intellectual

versatility. She defines a leader as a professionally humble person who inspires others by being authentic and committed to his goal.

Elene Lytkina et al. emphasise on leaders ability to take quick decision. Their belief that by taking decision quickly they can move far ahead in the competition, the argument was supported by Chris Trendle et al. where they forward the fact that the decision of a leader can not be correct all the time. However, by adopting proactively and modifying the course when needed, they can deliver the result and survive the competition.

Davia Temin defines pandemic best practices in which leaders identify and prepare for any eventuality early. They stay flexible and rely on innovation in their approach. Their quality to think of others and communicate the instruction make them the trusted centre of the organisation.

John A. Quelch talks explicitly about the leadership at the time of COVID-19. His leadership qualities are traditional as he brings 7-Cs like Calm, Confidence, Cash, Community, Compassion, Communication, and Collaboration into the picture. It is the combination of resources available, and freedom employ them brings out best in a business leader. Organisation rich in resources and collaborating under the adept leader has more to gain as the leader will use available resources to strengthen the market position is mostly true.

The Human resource performance measuring techniques, Cost-based, Monetary value-based and non-Monetary value-based techniques are useful tools. Under them, the lev and Schwartz model, Eric Flamholtz, Morse Model, Ogan Model and S K Chakraborty model help design the basic framework. However, the research confines itself with leadership impact in the COVID-19 phase and, it requires modification in available models to cover the extraordinary market conditions and quality of leaders to manage organisational resources to keep the damages at a minimum.

(B) Research Problem

There is ample research available on leadership qualities, behaviour and successful relationship with employees. The research articles specifically probe the desired leadership qualities during a crisis. It is important to have a suggestive methodology to assess the performance of a leader based on quality. The research focus is on HRD practices to evaluate leadership quality in contrast to the financial evaluation, where leaders ability to expand the market and profitability is of prime importance.

(C) Research methodology:

The structured literature review is done to analyse the availability of articles concerning leadership qualities that are of utmost importance in the epidemic. Content analysis used to sort research that focuses on a leadership role during epidemic and mass disruption of the market.

The systematic sorting of leadership qualities mentioned in various research, bring out the commonality between them. The qualities are then studied for their importance and scrutinise for leadership performance evaluation. The research focus remains on present COVID-19 crises and the leadership qualities that help successfully defend the market share and fill with humanity.

The research is based on conventional content analysis on secondary data, the limitation of COVID-19 data and its relationship with leadership qualities is the main reason for its selection. The approach is advantageous in sorting the available literature and limiting it to well recognised, documented and most recent research in the academic world. The research can draw the inference from the financial data on organisations accounts, their loss on quarter to quarter basis or yearly performance; instead, it supports leadership qualities that bring humanity with innovation and promote social and economic stability in challenging the epidemic.

II. IDENTIFICATION OF THE CRISES, TIMELY DECISION AND MODIFICATION AS PER NEED

Conveying the truth is unpleasant and inversely affects a leader's popularity; it is the test of a leader's communication power to convince the public on the necessity of the hardships.

All eyes are on the leaders and how they are handling the COVID situation. Many of the leaders miscalculate the size of the problem and react late. The misconception of the developed world that they have sufficient economic and medical resources to overcome any situation is removed.

Crises are the opportunities to test leadership skills and, leap ahead in a competitive world. Most of the crises result from human-made miscalculated decisions either in the form of over-exploration of natural resources or discharge of industrial waste harmful to our environment responsible for the change in weather conditions and leading to many natural disasters affecting countries and their economies. In other reasons, wars and conflicts affect natural and economic resources, the crises hold no boundary and spread globally in no time

due to disturbance of demand and supply curve, along with position taken by many countries to settle their score.

In simple terms, any form of crises provide opportunities for a few leaders to step in and take the lead over their competitors during the testing times. Successful leaders identify the crises at the earliest and close the option of denial or non-existence of any problem at the first step. By not adopting the denial mode, they clarify their team approach that they are ready to solve the problem. A confident leader who is a 360-degree thinker calmly clarify the complicated situation to his team and expect them to work on it, for the best possible results.

The most important factor they need to consider is the time factor, as the earliest detection and early decision on the problem create the lead between the company and its rivals. A leader knows that speed of decision is as important as a proper understanding of the problem. Poor understanding results put energies in the wrong direction while a late decision will favour competitors. Good leaders always understand that a decision taken in the right direction can be modified at a later stage to improve its precision and acknowledging improvement is not the same as "I made a wrong decision and I want to stick with it." The quicker a leader adapts and moves on with improvement, and the more successful the company will be.

III. VERSATILE THINKERS, INNOVATORS AND CHANGE MANAGER

Leaders are the versatile intellectuals who remain curious enough to embrace innovations in all forms; they are ready to adopt by staying flexible. They realise the need to innovate to stay competitive and their cash reserves are open to new solutions. A firm believer in science and innovations their approach is proactive, which often requires the application of change management, where they need to be collaborative with people who needed to be convinced to adopt new approaches to have a solution to a complex problem.

To measure versatility in a leader, a 360-degree analysis of his skills and knowledge is necessary, to be a leader requires an understanding of many fields. A leader can be a specialist in one subject, but he must value other fields and understand their importance for the business. For example, if an engineer is leading the organisation, he needs to understand the need for finance for operations, marketing for promotion and importance of sales for running the organisation.

A versatile leader is valuable because of his understanding of different fields and his ability to convince a different section of the organisation to work for organisational goals instead of personal or departmental goals. A 360-degree evaluation of leaders can provide enough

information about his understanding in different fields, and it should be supported by quantitative and qualitative evidence. Leadership comes from successful endeavours, and often leaders bring the necessary change for which they are known for.

IV. PROFESSIONAL, DOING THE BALANCING ACT BETWEEN STAKEHOLDERS

Quality demands professionalism, and despite this, a true leader is a humble professional, who compassionately thinks of community, preference is always given to others when it comes to personal benefits. The quality to feel for people, care for the workers, benefits the stakeholders and build a relationship with customers proves to be a winning combination. The confidence in oneself does not mean pushing towards an extreme solution but humbly resolving the problem by treating every stakeholder with humility.

COVID-19 situation is too complicated for a simple solution or a solution that make everyone happy. It needs a balancing act between various stakeholders. Shareholders cannot expect regular earnings, and workers need to appease and encourage new means for production under challenging working conditions. The supplies may be hindered, and the demand curve dip as people are concerned over essential goods only and other non-essential may have to wait for normalcy.

The overall market condition remains gloomy, and under such circumstances, a firm has to safeguard its share and try to increase it by capitalising on competitor mistakes. A dip in profit equal to its market share is an acceptable position, and it means the firm is maintaining its market share and expected to perform better when things get better.

The management recognises the quality they want, and from their evaluation, they satisfy themselves and put a certain value on the leader's performance. The Human Resource Accounting method (HRA) provides the relative worth of an employed person. The leader has to perform above the relative worth, and it is the time-bound achievement by the leader above the value that determine the level of success.

V. CONVINCER, GOOD COMMUNICATOR, UNITE STAKEHOLDERS, MOTIVATOR

The supreme quality of a leader is the power to convince through proper and inspirational communication. They seek collaboration and unite stakeholders around the mission; they understand each stakeholder's need and motivate them to achieve pre-established goals with suitable modification agreed upon in consultation. They demand followership and in COVID times create a virtual war room instead of physical meeting with core members. To deliver the fruitful impact, they depend on clear communication and collaboration. They can unify

the different stakeholders on a platform for mutual benefit and compromise at their end for the greater good.

The Behaviourally Anchored Rating Scale (BARS), where critical incidents are taken for performance evaluation can be modified to measure critical decisions taken and impact of the decision over the organisational capability during the COVID-19 phase.

The COVID-19 strategy requires innovative resources to counter the challenges. A simple adjustment here and there will not work, a long term infrastructure adjustment and creating deep supply lines will be beneficial in the long run. The epidemic provided an opportunity to examine demand and supply lines and test the firms' production capacities. Handle it carefully, and a firm can earn an advantage over its peers. Any mismanagement of resources will be disastrous as customers will slip away during the crises, and the firm may lose financially. It will also affect their capacity to employ human resource, as was the case with many firms who resorted to cost-cutting measures and started with a reduction in their workers' number.

VI. COMMITTED, TRUSTED

The commitment of a person can be measured by his willingness to sacrifice his comfort. Leaders who devote themselves towards their work, observe proper behaviour, be attentive of the organisational requirement and are supportive to others, lead with examples.

Leaders' commitment to deliver product and services of high standards even at the time of crises made them worthy of the top position they hold. In challenging times they became the trusted source of information whom stakeholders can rely upon. They are appreciated for their right decision even if it hurt in the short term but create the ground for a better future.

VII. FOCUSED AND TAKE FEEDBACK

Leaders avoid any distraction and focus on the problem better than anyone else. Their decision reflects authenticity, but before its application, they discuss with the stakeholders and ask for their opinion. The COVID -19 created an uncomfortable situation that nobody expected and requires innovative measures to survive. The epidemic is hurting everyone, and each stakeholder wants to minimise the damage for himself creating a problematic situation for other stakeholders. A true leader will need to overcome such distractions and demands, and confidently apply a winning combination to satisfy them.

They regularly seek feedback on their decision and depend on a timely modification to avoid an uncomfortable situation for each stakeholder as every innovation may not be the perfect

answer to the challenge, it needs correction at times or may prove completely wrong. They never lose their cool, even at the most testing times as a true leader who knows his mistake at the earliest can correct it and save fortunes which a firm may lose if they continue on the wrong decision.

VIII. CONCLUSION

The practice of measuring human capital under Cost based (Historical, Replacement, Opportunity or Standard cost), Monetary Value-based (The lev and Schwartz model, Eric Flamholtz or Morse Model) and Non-Monetary value-based (Likert model, The Flamholtz model, Ogan Model and S K Chakraborty model) are useful to assess the value of human capital in an organisation. However, it requires careful modification, considering the extraordinary challenge of COVID-19. Secondly, intellectual capital is hard to measure. Leadership quality also depends on the degree of freedom and available organisational resources.

The Human Resource Audit provides positional expenses about the quality of the human resource. Responsibility accounting is better suited to measure leadership roles against the predetermined objectives. Under the present circumstances, the target needs to be revised and, emphasis should be on keeping the resources and market share intact with the possibility of lower revenue in line with the overall reduction in market profitability.

Some decisions may not benefit in the short run, but it is necessary to build future infrastructure. It is the combination of decisions, including applying innovative means to counter the present crises and creating the necessary infrastructure for future challenges. The decision cost a fortune when company financial resources are tested; it requires manoeuvrability of top brass to arrange resources and convince all stakeholders.

Lastly, the leadership assessment during the COVID-19 crises should be based on the criteria as mentioned above, namely the direct measurement tools, indirect measurement of social benefits and decision taken for future benefits. The proper weightage should be given before putting the values on leadership scales for any meaningful conclusion.

The decision to apply proper weight should be based on its strength and requirement and potential future utility. It is easier to evaluate a leadership material in its bud by examining different case scenarios, problem-solving skills and technical knowledge but evaluating a professional at peak requires broader understanding. It is difficult to standardise as every company is different in terms of market, financial and technological strength and face a different level of competition. Hence, the three basic criteria mentioned will help create a

framework, but the leadership assessment only requires company-specific criteria with proper weightage.

COVID-19 is a challenge for every establishment and requires the application of innovative means at every level. It provides an opening for a new generation of leaders to create their mark by taking the challenging route and give a new meaning of success.

IX. REFERENCES:

1. Arkan, T. (n.d.). *Human Resources Accounting: A Suggested Model for Measurement and Valuation*. doi:DOI: 10.18276/frfu.2016.79-13
2. Arruda, W. (2018, April 5). Four Ways To Become More Versatile And More Valuable At Work. Retrieved from <https://www.forbes.com/sites/williamarruda/2018/04/05/four-ways-to-become-more-versatile-and-more-valuable-at-work/#7b0632c93f77>
3. Berger, J. (2020, April 20). How to Persuade People to Change Their Behavior. Retrieved from https://hbr.org/2020/04/how-to-persuade-people-to-change-their-behavior?referral=03759&cm_vc=rr_item_page.bottom
4. Chamorro-Premuzic, T. (2020, March 11). How to Spot an Incompetent Leader. Retrieved from <https://hbr.org/2020/03/how-to-spot-an-incompetent-leader>
5. Chris Nichols, S. C. (2020, APRIL 2). 4 Behaviors That Help Leaders Manage a Crisis. *HBR*. Retrieved from <https://hbr.org/2020/04/4-behaviors-that-help-leaders-manage-a-crisis>
6. Elena Lytkina, K. R. (2017, May-June). What Set Successful CEO Apart. *HBR*. Retrieved from <https://hbr.org/2017/05/what-sets-successful-ceos-apart>
7. Gregory, S. (2018, March 30). The Most Common Type of Incompetent Leader. Retrieved from <https://hbr.org/2018/03/the-most-common-type-of-incompetent-leader>
8. Grint, K. (2020, April 23). Leadership, Management and Command in the time of the *Leadership*. doi:DOI: 10.1177/1742715020922445
9. Haberman, M. (2013, Jan 1). Versatility is the Key Competency of the Future. Retrieved from <https://workology.com/versatility-is-the-key-competency-of-the-future/>
10. HAMILTON, N. (2008, Sep). ASSESSING PROFESSIONALISM: MEASURING PROGRESS IN THE FORMATION OF AN ETHICAL PROFESSIONAL IDENTITY. *UNIVERSITY OF ST. THOMAS LAW JOURNAL*. Retrieved from <https://www.stthomas.edu/media/hollorancenter/pdf/Hamilton,-article.pdf>
11. Hawaldar, R. T. (2019, Aug.). Application Of Lev And Schwartz Compensation Model On The Accounting Practices Of MCF Limited. *INTERNATIONAL JOURNAL OF SCIENTIFIC & TECHNOLOGY RESEARCH VOLUME(8)*. Retrieved from https://www.researchgate.net/publication/335227808_Application_Of_Lev_And_Schwartz_Compensation_Model_On_The_Accounting_Practices_Of_MCF_Limited

12. Huda Dubai, B.-A. A. (2019, Aug 21). Definition of professionalism and tools for assessing professionalism in pharmacy practice: a systematic review. *Journal of Educational Evaluation for Health Professions*. doi:<https://doi.org/10.3352/jeehp.2019.16.22>
13. Kost, D. (2020, Jan 17).
14. Kost, D. (2020, Jan 17). Six Traits That set top business Leaders Apart. *Working Knowledge*. Retrieved from <https://hbswk.hbs.edu/item/6-traits-that-set-top-business-leaders-apart>
15. Metcalf, M. (2020, May 6). 7 key Crises Leadership Skills. Retrieved from <https://www.forbes.com/sites/forbescoachescouncil/2020/05/06/seven-key-crisis-leadership-skills/#84a0e09790a3>
16. Mya, M. (2012). 15 Ways To Identify Bad Leaders. Retrieved from <https://www.forbes.com/sites/mikemyatt/2012/10/18/15-ways-to-identify-bad-leaders/#4f5711b515da>
17. Nindyati, A. D. (2013). Visionary Leadership Measurement in Indonesia. *The 8th International Conference on Business and Management Research (ICBMR)*. Seoul. Retrieved from https://www.researchgate.net/publication/290805430_Visionary_Leadership_Measurement_in_Indonesia_The_Implementation_Visionary_Leader_from_Burt_Nanus_Concept
18. Petriglieri, G. (2020, April 22). The Psychology Behind Effective Crisis Leadership. Retrieved from https://hbr.org/2020/04/the-psychology-behind-effective-crisis-leadership?referral=03759&cm_vc=rr_item_page.bottom
19. Quelch, J. A. (2020, March 26). 7 Leadership Principles for Managing in the Time of Coronavirus. *Working Knowledge* . Retrieved from <https://hbswk.hbs.edu/item/7-leadership-principles-for-managing-in-the-time-of-coronavirus>
20. Sotomayor, P. A. (2011). HUMAN CAPITAL ACCOUNTING – MEASUREMENT MODELS. *International Journal of Economics and Management Sciences*, 1(3), 78-89. Retrieved from <https://www.hilarispublisher.com/open-access/human-capital-accounting-measurement-models-2162-6359-1-024.pdf>
21. Temin, D. (2020, march 4). Crisis Leadership In Real Time: 8 Pandemic Best Practices. Retrieved from <https://www.forbes.com/sites/daviatemin/2020/03/04/crisis-leadership-in-real-time-8-pandemic-best-practices/#4911d66b797e>
