

HR Excerpt

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Lessons Learned for Managing Employees Through Geopolitics and War

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It seemed like a good idea: Companies dispersed workforces around the world to save money and expand their talent pools while economies knit closer together during decades of relative peace.¹ As a result, though, when political tensions between nations boil over, it's more likely employees somewhere will suffer — and executive leaders will need to work 24/7 and spend millions of dollars to help them.

Only 28% of chief HR officers (CHROs) feel mostly or very prepared to handle a geopolitical crisis compared with 65% who have such confidence in their ability to respond to a natural disaster.² Yet lessons emerged from two dozen interviews with CEOs, CHROs and HR leaders since Russia's 2022 invasion of Ukraine. These executives had already cut their teeth on upheavals such as 9/11, the Arab Spring, bombings and hostage incidents before this war began. They shared what they had learned the hard way.



Distilled from those conversations, these tactics can help you help your company's people through transnational clashes, whether those differences are expressed through harsh words, sanctions, or military conflict. With nationalist sentiment increasing and international volatility escalating, such situations are not going away.³

Take two steps now to prepare:

- Embed geopolitical risks in existing talent strategy processes — but don't overweight them.
- Set up specific internal listening networks of employees who can detect a brewing emergency.

As a crisis unfolds:

- Shift your "radar" from early warning to unearthing employees' needs. What help they require, and where, may surprise you.
- Leverage other employees worldwide who want to assist.
- Don't forget to take care of yourself and the managers working directly to protect and save lives. The emotional toll will be high.

"These kinds of events nobody ever wants to live through," Ruth McGill, CHRO at ING, told us. But, she added, "people will always remember how they felt and how they were treated and how the company responded in these times."



Ruth McGill,
Chief HR Officer (CHRO),
ING

Embed Geopolitical Risks In Talent Strategy — Judiciously

Include geopolitical flashpoints as one of the many risks considered during talent reviews and strategy discussions. That point seems straightforward but is often overlooked. The impact of national hostilities is different in kind from other types of crisis. For example, first responders such as armies or police might not be

willing or able to help as they would during a hurricane or earthquake — quite the opposite, in fact.

Don't swing too far the other way, though. Politically driven risks "have been historically hard to assess" because these situations are so fluid, according to Iris Malone, a senior analyst at GeoQuant, a country risk data and analytics provider. It's best to limit geopolitical exercises during crisis planning to just one or two per year.

Other, higher-probability scenarios will bolster teams' interpersonal trust and collaboration skills more generally. That way, "when a crisis happens, you've built a rapport" with stakeholders, Martha Delehanty, chief HR officer at Commvault, told us.

As a geopolitics lens is integrated into those flourishing relationships, the CEO, CFO and HR should set expectations in advance that costly crisis decisions will adhere to stated corporate values. Enterprise risk management leaders and HR can earn the right ahead of time to break red tape and move fast.

“I think one of the best things a leader can do, whether you’re a CEO or CHRO, is to be clear about what you stand for and to allow decisions to flow from there.”

Kunal Kapoor, CEO, Morningstar, Inc.

Develop an Employee Early-Warning System

Whether or not an organization hires outside consultants to help identify and manage geopolitical risks, it can relatively easily develop a system for employees to report internally about emerging threats.

Executives who spoke with us estimated that organizations will at best be able to identify an imminent development such as the Russian invasion of Ukraine, a coup, or localized protests a few days in advance. Still, every hour counts.

Formally, organizations might:

- Direct country managers, business unit heads, and other employees in distributed areas of the organization to consider geopolitical and other risks in their area of operations as part of pre-existing reports on business conditions and progress toward objectives.
- Establish an email inbox for reporting to centralized risk management, business continuity or crisis management teams on local conditions or flagging potential exposure. Instruct managers to ask employees about local conditions or trends that they are following and then report upward. The simpler the system for capturing and transmitting information the better.

- Identify employees who have both the interest in foreign affairs and necessary skills for risk monitoring — critical thinking and trend analysis, for instance — and provide them with the autonomy and ability to report on conditions and trends they observe. These employees will often be self-selecting and little discretionary effort is required to add informal monitoring to their daily tasks.
- Important: Make sure to include flags for urgent information.

To build informal channels, consider these tactics:

- Encourage executives to strengthen their personal connections with employees in their organizations and ask about geopolitical risks.
- Build dedicated spaces for employees to voice their opinions — such as focus groups and informal discussion time.
- Instruct managers to listen specifically for geopolitical risks in these settings, and report them upward.

When a Crisis Hits, Lock Your Radar on Employee Needs; These Might Surprise You

With a listening network in place, your organization can rely on it during a geopolitical emergency as well; ask your information sources to shift and home in on urgent employee needs. The regular employee experience survey won't cover such specific circumstances and there won't be time or attention for a dedicated pulse survey *in extremis*.

During Russia's invasion, executives told us they knew physical safety and access to currency would be important to the workforce in the two nations at war. They were right, but there was more.

What they discovered but didn't expect:

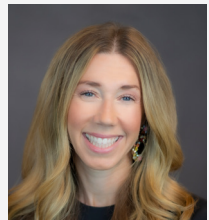
- Pleas to help extended relatives such as grandparents and siblings and even pets (at least one company evacuated a cat).
- Streams of refugees crossing borders, adding to the number of locations where employees required assistance (one organization set up a mobile hospital in an adjacent country).

- Employee distraction and productivity issues outside of the directly affected areas.
- Activation of latent employee national, political and ideological identities as sources of interpersonal tension.

Once an affected area is relatively safe, executives should also consider becoming part of the listening network themselves — in person. Traveling to hear directly from employees is a vital show of organizational interest in employee needs and support and will also give leadership a visceral understanding of where to concentrate resources for talent, their families and communities.

Anticipate Spillover

Spillover effects can show up all over the world. For instance, disruptions to the flow of energy because of infrastructure damaged in battle, sabotage or trade barriers might spark new interest in working from offices or subsidies for home energy bills.



"We may have a high-level perspective based on what we're hearing and what we know, but we really can't surface those direct issues unless we're available and proximate, talking to our people and listening into all of the forums available to us."

Sara Morales, Vice President, People & Communities, Cisco

Also, feelings may run high in places that might not be obvious at first. The cross-border hiring trend may mean people from two hostile nations both work in each other's country (this was the case for Russia and Ukraine). Not only that, employees with ties to belligerent countries could be located outside the region as well (this also was true at the time of the invasion; mental health support was necessary for them).

Further afield, employees may differ in their views on how the company should respond to geopolitical tensions, bringing them into conflict with either each other or with leaders.

These debates may serve as a vector for employees' broader political identities, such as partisan affiliation. In 2022, 15% of surveyed employees reported they had seen colleagues avoided by other employees due to their political views.

Ten percent report having seen colleagues being called offensive names, and 12% report having seen colleagues being treated differently due to their political views.⁴

Lean on Organizational Values to Mute Discord

As with laying groundwork for leadership action, established enterprise values and culture offer a helpful

foundation — coach managers to rely on them in the moment, especially if the organization has a culture of tolerance and respect. Keep listening, though. Executives heard from employees in many countries about their language at the time of the invasion: “Why are we saying incident or tragedy? Why aren't we saying war?”

Queries about words gave way to questions about action: “Are we going to take a stand? Are we going to do business in Russia?” Mute the discord by pointing again to organizational values when explaining decisions at the C-suite or functional level.

Leverage Employees Elsewhere Who Want to Assist

Employees who aren't directly affected can be part of the solution, too. Hundreds of employees at the organizations represented in our interviews raised their hands to house displaced Ukrainian team members and their families after

“When I think about issues and when and how we participate, I always go back to our corporate values. They really serve as a north star for where we have the permission to involve ourselves as an organization and take some position or action.”

Mauricio Gutierrez, CEO, NRG Energy

war broke out in 2022. Some even shared photos of their guest rooms. And, as one HR leader noted, people based in other parts of the world might offer innovative ideas to help address the barrage of challenges — perhaps in a more effective way than executives have thought of.

Consider setting up a platform or hotline to match volunteers with those desperate for help. Functions such as HR, legal, risk, operations and finance can work together to set the parameters: What are the common needs? Should we set up tiers to prioritize service (e.g., employees in a war zone, employees who are refugees, family members)? Who should be able to participate? Cutting red tape could free up resources on the ground.

An added bonus: heightened employee engagement. The leaders we interviewed spoke of employees fluent in Russian or Ukrainian jumping at the chance to pull hotline shifts and others who even brought their spouses and cousins to join transport operations in refugee zones.

Take Care of the People Taking Care of Your People

Don't forget the executives and coordinators of your relief efforts. The pressure to save lives — and the recognition that they are safe while others are not — can make HR business partners and country managers reluctant to complain about grueling hours, heartbreak and frustration. That goes for the C-suite, too. ING's McGill recalls "frankly feeling completely out of control" at times during "horrific events."

Pick up on body language or round-the-clock communications and ask for five minutes to talk about their feelings. When someone is overwhelmed, get creative — for instance, involve an operations team or ask shared services hubs on the business side to set up a mini-call center. With all the enthusiasm for involvement from employees, capacity can create itself.

¹ 2022 Gartner Borderless IT Survey; 2022 Gartner Technology-Intensive R&D Benchmark Survey.

² 2022 Gartner Q4 CHRO Survey.

³ BlackRock Investment Institute, [Geopolitical Risk Dashboard](#), 25 July 2023

⁴ 2022 Gartner H2 U.S. Employee Sentiment Survey (October 2022).

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