



THINKSPACE

FUNDAMENTALS

Organizational Resilience: Navigating Challenging Times

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This article expands on views expressed at “Organizational Resilience”, a webcast session organised by IFSWF on 23 April 2020. GIC serves as a Board Member of IFSWF, a global network of sovereign wealth funds (SWFs) that meets and exchanges views on issues of common interest.

WHY IS ORGANIZATIONAL RESILIENCE RELEVANT FOR GIC?

As Singapore’s sovereign wealth fund, GIC’s mandate is to preserve and enhance the long-term international purchasing power of the reserves under our management. The reserves play three critical roles for Singapore – a rainy day fund, an endowment fund and a stability fund. The COVID-19 crisis has clearly highlighted how important the reserves are, given the magnitude of the government’s relief package to support households and businesses. For Singapore, a country with no natural resources and a highly open economy, the reserves are a strategic resource for the country’s future.

Additionally, GIC’s long-term investments contribute to the communities that we operate in. Organizational resilience is fundamental to GIC’s investment mandate and purpose, and enables us to sustain performance, particularly through these challenging times.

HOW WOULD GIC DEFINE ORGANIZATIONAL RESILIENCE?

For GIC to invest well through the cycles, resilience is needed at two levels.

For the *enterprise* – we must ensure our leadership, organizational structure, operations, technology infrastructure and processes enable

us to deliver good performance and facilitate business continuity, through crises and across our 10 offices.

For our *people* – it is key that everyone plays a part to deliver our mandate. With the COVID-19 pandemic, our people need to adapt as we work and live under unprecedented lockdown conditions. There are also the added stresses of managing high volatility in the markets and safeguarding the health of our loved ones. While many of our staff had gone through past crises, there are others who have not. Lessons will be learnt as we navigate the path forward.

Importantly, we need to uphold our values, and strengthen the physical, mental and emotional well-being of our people during such difficult times. We believe our people can emerge from this crisis more united and grounded in our values and purpose.

WHAT IS GIC’S ORGANIZATIONAL RESPONSE TO CHALLENGING SITUATIONS SUCH AS COVID-19?

At GIC, we continue to emphasise the importance of our five investing principles and PRIME¹ values, as well as deepen our purpose as an organization, and at the people level. Our five investment principles guide our efforts to strengthen organizational resilience:

1 LONG-TERM PERSPECTIVE

- Continue to invest in people
- Build technology for capability
- Prioritise resources and trade-offs
- Appoint leaders to navigate crisis
- Communicate goals clearly

2 BE RISK AWARE

- Step up reviews on portfolio
- Monitor operations risk and controls
- Assess change in business models
- Manage cyber and IT risks
- Robust decision-making processes

3 LEVERAGE STRENGTHS

- Teamwork in business continuity planning
- Harness diversity of skills
- Innovate for resilience
- After action reviews to improve
- Experiment, learn and adapt

4 FOCUS ON VALUE

- Our PRIME Values as our compass
- Well-being and safety of people first
- Trust and solidarity with stakeholders
- Seek facts to overcome fears
- Inculcate growth mindset culture

5 PREPARE, NOT PREDICT

- Always plan ahead for the next level
- Framework to assess scenarios
- Anticipate change ahead to be agile
- Build good habits during peacetime
- People. Technology. Communication

¹GIC’s **PRIME** (Prudence, Respect, Integrity, Merit, Excellence) values act as our compass, enabling us to return to our fundamental purpose and beliefs.

Specific to the COVID-19 crisis, our organizational responses can be grouped into three key areas:

ENTERPRISE

1



Timely communication with transparency and empathy

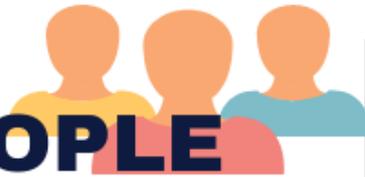
- Top-down communications to set goals and address concerns
- Timely updates on travel advisories and office safety measures
- Seek ground feedback to address issues early and fine tune measures
- More frequent and open sharing to reinforce purpose and strengthen team culture at every level
- Engage partners to strengthen business relationships
- Get Board/Client support on strategic directions ahead

Robust business continuity planning

- Ensure inclusion and alignment of all business and functional groups
- Align precautionary measures with local government advisories
- Use technology as an enabler for work productivity
- Agility in decision making as situations evolve fast
- Prioritise work plans to focus on what is most critical

2

PEOPLE



Physical Well-being

- Closely monitor COVID cases and provide support to affected staff and families
- Provide healthcare resources for all global offices
- Engage people on good habits to sustain energy physically, mentally and emotionally

Mental and emotional well-being

- Establish boundaries between work and home to sustain performance and work-life balance (eg. special time-out leave)
- Sharing of tips and resources on how to lead and manage virtual teams effectively
- Encouragement and positive stories to inspire and keep up motivation
- Survey feedback on areas to engage and support



3

COMMUNITY

Staff community efforts

- Enable staff to contribute based on their passions and interest areas

Corporate community efforts

- Reinforce GIC's role and purpose in giving back to the communities that we invest in
- Show support for our partners and local communities where we operate

Lastly, we need situational leadership at every level during times of uncertainty in order for our people to thrive. Our leaders need to look beyond well-trodden paths to identify new opportunities, and adapt to today's changing realities. It is key that they recognise it is not 'business as usual' and leverage diverse skills and perspectives. Today, more than ever, possessing an openness to learn from others and using these collective insights will lead to better decisions.

WHAT ARE SOME OF THE LESSONS LEARNT SO FAR IN THE COVID-19 CRISIS?

In the beginning when the outbreak was limited to specific regions, GIC was sufficiently prepared as we had considerable business continuity planning and playbooks for different types of crises, including cyber security, natural disasters and even pandemics. However, like others, we could not have predicted a situation where operations across multiple regions would be curtailed so drastically and all at the same time.

Due to our early and continuous investment in technological solutions such as cloud computing, we were able to adapt quickly to large-scale telecommuting. This not only demonstrates the relevance of one of our key investment principles "Prepare, Not Predict", but also highlights just how unpredictable crises are by nature and the need to be agile in response. Such 'white swan' events could become more common over time.

Given GIC's purpose and long investment horizon, the resilience of our people, processes and systems are necessary for us to navigate and cushion the impact of such events on our global operations, portfolio and business. After COVID-19, there will undoubtedly be additions to our future playbooks. What will remain constant is our focus on our mandate, as well as our commitment to GIC's values and the well-being of our people.