



Return to On-site Work

Leading Through Crises and Downturns in a Remote World

In times of uncertainty, it's more important than ever for leaders to be available, communicative, and vulnerable to drive desired attitudes and behaviors throughout the organization and across all stakeholders.

As such, The Circle conversed with <u>Sid Sijbrandij</u>, Co-Founder & CEO of <u>GitLab</u> leader of the largest all-remote 1,300 people venture-backed company to better understand how to lead in an all-remote environment. As well as <u>Dave Dorman</u>, Retired CEO of <u>AT&T</u> + board chair CVS Health + board member of Dell & PayPal, who has led 250K person distributed multi-national companies. Together, they covered the intersection of finance, technology and healthcare as it relates to how a leader supports its team.

Here are some high-level takeaways from the call.

Dave - How long should leaders anticipate uncertainty to be the norm?

From the get-go, Dave Dorman answers the hard question, of how long to anticipate uncertainty from a health and economic perspective. "It's going to be very hard between now and year-end to do anything other than react to the circumstances as they play out each day." The combination of civil unrest, a pandemic, federal reserve inflations, presidential elections, and unemployment is one that he hopes won't make us immobilized as a nation. Economically, we

could anticipate high-interest rates and inflation, but all problems that are in the future as a result of turning the economy on and off as well as federal reserve release. Additionally, with a number of people out of work, he can't see how we will avoid a recession and how long the recession lasts will be correlated to the uptick in the spread of the virus.

"Real leadership is incredibly important."

Dave – would you be at all surprised if from a health standpoint, that we're all still doing what we're doing right now at the end of 2021 and then going into 2022?

As mentioned, Dave Dorman sits on the board of CVS where he is privy to conversations around vaccines with pharmaceutical companies and the like. Although he expressed concern about the number of people being infected and the related risks of overrunning the healthcare system, he was hopeful about the timing of a working vaccine and antivirals. "I think that we're going to have a working vaccine in the first quarter of next year." He mentioned we should be expecting extraordinary results as the entire world is energized on a problem of this scale.

There is a projection that the administration of flu shots will increase by twelve times due to the fear of contracting both the flu and COVID-19, which translates to about 240 million people in the US compared to billions of people around the world who will take the vaccine for COVID-19. A massive manufacturing and distribution capability will need to be mounted and things like allocation and how the vaccine is paid for will need to be figured out. And answers to all of these points impedes how quickly people get the vaccine.

What is a company's leadership responsibility during a world crisis?

While Sid spoke to the overall environment and state of companies and Dave focused on the sentiments of leaders, both shared empathetic responses that affirmed there is a great responsibility.

Sid shared that "where you work is such an important part of your life." As other institutions have diminished in importance, the workplace has increased, driving a high connection to people's workplace and the leaders of these workplaces. In some cases, "some of the people even want their work to kind of make sense of the world." A balance between acknowledgment, taking action, hearing their leader's point of view, as well as a place they can voice their own point of view and connect with each other, is expected of employees, especially in a remote environment. At Gitlab, being an all-remote workforce, they've worked through all of this and have made the intention to help others adjust to all-remote by making their ebook available to the public which has been downloaded tens of thousands of times.

"One of the things about being 66 years old and being in the business world ... I've seen a lot of things and I'm absolutely certain that solutions will be found. Letting people drift into hopelessness or just despair is one of the worst things that can happen."

Dave shared that "one of the things about being 66 years old and being in the business world ... I've seen a lot of things and I'm absolutely certain that solutions will be found. Letting people drift into hopelessness or just despair is one of the worst things that can happen." He stressed the importance of leading with heart, being honest, involved, engaged, and showing concern as a leader. An observation of Dave's in serving as a board member across many companies was those CEO's that lead focused on their people were showing the utmost responsibility. Those that ask the question "how can we

help them [employees] live their life better and therefore do their job better," are the ones that are showing what a leader's responsibility should be. Recognizing that each employee has a story of their own: they have loved ones who may have had COVID, or they have children who are not in school, and so on. Dave suggests to be reassuring and uplifting and say, "we're going to get through this together, no matter how dark it may seem, and here's what we're going to do in the company for our people first and our customers second, and our owners altogether."

Dave gives credit to all the leaders in the current state, especially since it's so easy to get distracted right now with so many voices. To stay focused, he recommends identifying your 'true north,' which right now, is 'your people' – "what can we do more to make their lives [employees] more tolerable at the moment or better at the moment?" Every business is affected differently and one should take stock of what as a leader they can do to make a difference every day.

How do you strike the balance between driving outcomes while being supportive and empathetic to what people are dealing with?

A lot of companies have seen productivity increase or maintain during shelter in place, even though they are newly remote, more likely attributed to employees having more time on their hands and not being able to delineate when they are on/off. But overworked and lack of personal connection has been identified as a big driver to debilitating mental wellness. A shared sentiment by a majority of the leaders on the call is to understand how to balance all of this.

The VIP's agreed that a big-ticket item to consider is to reset expectations, to ensure people could still hit their targets and aren't stressed about that. In regards to hitting goals, OKR, and Key Performance Indicators, at Gitlab what is working well for them is key departments meet every month to review every single goal, OKR, and KPI that has been assigned to them. The meetings typically last 25 minutes and are focused on Q&A as the presentation with the results are shared beforehand. Transparency has also worked for Gitlab who makes its OKR and KPI's public. "As a CEO in goal setting. You want to make sure there's a mirror where people are confronted with their goals. I rarely tell people, hey, you have to hit this goal. They know. You don't have to tell them."

Additionally, Sid mentions mental health to be an important contributor to employees well being. One of many ways Gitlab has been supporting mental wellness is with what they call "Friends and Family Days" where employees take a Friday off (here and there), to allow them to recharge and in turn drive productivity. Furthermore, it's important to have an ongoing mental health program, one that is supported beyond the current times.

"In the end, it's like putting your money where your mouth is. If you say that mental health is important, then shutting the company down and not having productivity that day sends a lot of signal."

There is also the emotional piece to these relationships, where a few CEO's admitted to having one on ones where their colleague was emotional or cried. Sid shared with his peers the following observation: "when you dive into it, what they [employees] are longing for is not to the commute, not the snacks. What they long for is connection and trust and a feeling of we're in this together." He mentioned that trust and community don't have to be done in a physical building and can be done in a remote environment. The difference is intentionality and actually organizing it – "you've got to formalize the informal communication" – repurpose the spend on facility management for these programs. About 20 ways on how informal communication occurs at GitLab, how it complements in–person interactions, and why it matters in an all-remote culture.

From Dave's perspective, where he's observed employees that have to go to a physical workspace, like a cashier or pharmacist at CVS, he's found that as a leader being able to listen and then act, shows not only the empathy but good faith that goes back to developing trust. If your employees are saying they are anxious about exposure and PPE would make them feel comfortable, then PPE is what you provide. Or if they can't come to work because of childcare, then consider organizing that on their behalf. Or even healthcare for part-time workers, due to their nervousness behind paying for hospital bills if they don't get sick because they are exposed to the virus at work.

Sid – curious how being all remote – all the time – from the beginning – has allowed you to build and sustain culture?

"Your culture, it's very important you define it." At GitLab, their culture is their values. And they aren't kidding when they say this. GitLab has six core values that are well defined with numerous sub-values, that are considered critical for adding context and removing ambiguity. In addition to defining these values, GitLab also focuses on reinforcing them. They currently have 15 ways to reinforce their values. All key milestones for employees are based around these values: 360 reviews, promotions, hires, interviews.

How do you successfully approach being anti-racist rigorously?

Leaders on the call are searching for actions and examples for addressing anti-racism beyond the obvious ones, like segmenting by race or equal compensation. For example, addressing anti-racist commentary and language at the office was something the leaders on the call were grappling with. How do you address it? At GitLab people are reminded of language every single day. As an example, in their quest to be a more inclusive company, they try to not use language with violent connotations. They've created <u>GitLab's top misused terms</u> to help set the bar high on off-color comments that are not allowed. And when off-color comments do happen, it gets an immediate response so people are reminded not to do that. Another approach Gitlab has taken to add to their diversity is outbound recruiting. With outbound recruiting, they can select who they approach. Lastly, reflection is another approach, allowing one to reflect can result in tangible actions, how GitLab does here in their "<u>Journey to a Diverse and Inclusive Workplace</u>."

"What you do and what you don't do says lots of things."

Dave reminds the leaders on the call that "what you do and what you don't do says lots of things." Additionally, he mentions playing a role in increasing the pool of applicants for Blacks and other underrepresented races – getting more people opportunities early enough so that they can filter up to more senior positions in the future. While at AT&T they focused on college scholarships and hiring candidates from the Black community right out of college. Dave also mentions diversity at the board level is easier as that is solving for two people out of ten, as an example. But when companies are targeting percentages, X percent to be diverse, in a big organization, the numbers can be pretty daunting, which leads to his point of action to increase the pool of applicants.

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