

Covid-19 and the legitimacy of drastic action: lessons from megaproject management

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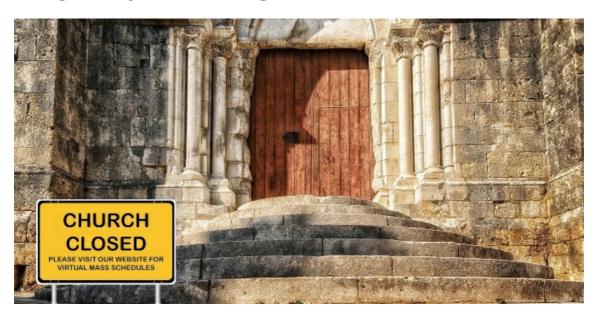
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Covid-19 and the legitimacy of drastic action: lessons from megaproject management



Soon, we will all have convinced ourselves that we knew all along what was going to happen. Hindsight bias is how our brain manages its scarce resources and protects us from losing faith.

The reality is that for the time being, both policy makers and business leaders have to keep making some of the biggest decisions of their lives under some of the worst uncertainty of their lives. In a <u>previous article</u>, we talked about how we can use resilience thinking to make better choices. Today, we want to look at another crucial aspect: how can we ensure the legitimacy of our actions, i.e., reflect on how much support we can expect from the general public or our employees for what we are about to ask of them.

Megaproject management may not be the first area of expertise you turn to for advice in the current situation. We will explain in a little while why you should. Our interest in megaproject management focuses on the risk management side of things, particularly risks surrounding public support (or opposition) of these rather impactful and wide ranging endeavours. Here is why looking at megaprojects for inspiration in the current situation is interesting: They are very significant investments, they cause changes at societal scale (at least locally), they are unique, with a significant dose of first-of-a-kind actions, and at some point they are over and transition what they build into operations. That does sound a bit familiar these days.

While legitimacy is important, there are also other factors. Most notably, legality and feasibility. A common pitfall for managers of megaprojects and business leaders or policymakers alike, is to take action that is legal (or at least: later legalised) and feasible, but not seen as legitimate. That leads into dangerous territory of provoking significant resistance.

There are three aspects to the legitimacy of megaprojects that also apply to the legitimacy of the rather drastic actions being taken today by governments and business leaders:

1. Trust. Or: legitimacy as your initial capital for taking action

People place trust in you and the organisation you represent. That trust is your initial working capital for taking action, as well as the bank account you can withdraw from when a situation gets sticky. The less trust capital you have, the more you have to coerce people into compliance.

For example, countries with a high level of institutional trust (i.e., a culture of trust) face less resistance implementing megaprojects. Scandinavian nations offer a good example here with numerous infrastructure projects, including bridges and tunnels, being implemented largely with social consensus and without lengthy litigations.

In the current situation, there is some emerging (though currently largely anecdotal) evidence that in countries with higher trust in government, there was a higher immediate compliance rate to restrictive policies.

Keeping a solid account balance of trust is critical for maintaining legitimacy to take action. This will require all the heart and leadership experience you have got.

2. Majority. Or: legitimacy as pack behaviour

People, as social animals, turn to their peers to validate their opinions and actions. That is especially true in complex, uncertain circumstances like today. And under these conditions, a strongly communicated emotional conviction will likely inspire more people than a carefully nuanced assessment (you know who we are talking about). If many cheer, we will also cheer (and the other way around). An important role in these social processes is to work with the pack leaders such as media personalities or trusted community leaders (including online communities).

Over the last decades, sweeping social protests have brought several major projects to their knees. Just one example: A few hundred protesters last year in the German Hambacher Forrest effectively killed the German coal industry. A vocal and emotionally engaged minority managed to win over an indifferent majority.

Status today: there is still a significant majority in Europe supporting the restrictive policies. An interesting question to ask is how many of those supporters consciously and after careful thought and analysis actually support the policies, and how many support what everyone else seems to be supporting.

3. Morality. Or: legitimacy as a fair decision making process

Your actions will be perceived as legitimate if the process that you followed to arrive at the decision is seen as fair and appropriate for the situation. This includes that stakeholders feel that they were heard and that their concerns were respected. It implies that you fundamentally agree on what the 'problem' is. That is harder than it sounds. For example, are we currently primarily managing a healthcare crisis, an economic crisis, or a social crisis? A 'fair' process also requires that you are credible in acting in good faith for the greater good, and not for personal interests or gain (or that of your friends and family).

Megaprojects that run into 'fairness trouble' typically have a skewed distribution of benefits and costs across stakeholders. Problems like that must be addressed, for example through dialogue platforms and independent arbiters. These mechanisms also allow a re-introduction of fact into difficult discussions.

In the current situation, one approach governments are using to navigate this landscape is to hear many different – but credible – voices. This includes not only a broad range of subject matter experts (say, from epidemiology, and various fields of medicine and economics), but also use transparent political processes, representing a wide range of social stakeholders, to arrive at the actual decisions.

Morality also implies that you are willing to regularly question and adjust past decisions, as circumstances change or new knowledge and insights become available.

Not every decision you make will be 'perfectly legitimate'. The key is that over time, your overall legitimacy does not die a death by a thousand cuts. As current events demonstrate, good leadership, even in hard times (or better: particularly in hard times) increases the legitimacy and respect of the people they serve as leaders.

Authors' suggested readings on the subject of legitimacy: here, here, and here.

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