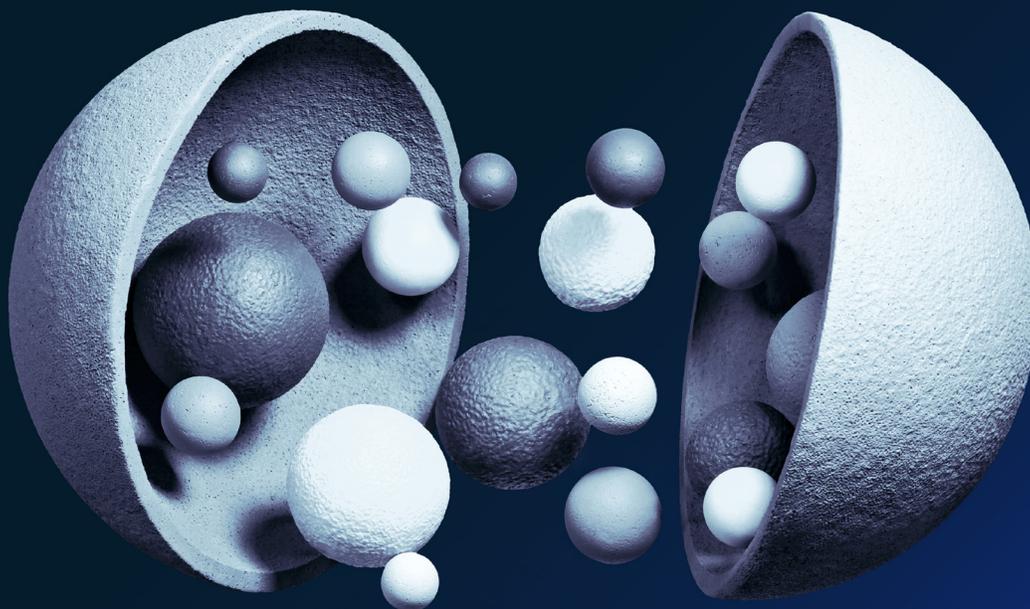


Risk Practice

COVID-19 and the great reset: Briefing note #34, December 2, 2020

Pandemic fatigue is bad and getting worse. Here's practical advice for leaders to help people reconnect with their jobs, their colleagues, and their purpose.



“I’m not sure how much longer I can keep going like this.” “I’m completely burned out.” Pandemic fatigue is here, and while almost everybody is feeling it, and more people are talking about it, no one knows exactly what to do about it. Our new research explains principles and sets out practical steps to get through a potentially prolonged period of disillusionment, grief, and exhaustion. Here’s a sampling of the tips on offer:

- Leaders need to **set and enforce work boundaries**; violating these is one of the biggest energy drains.
- They can help people **see this time as a quest toward something new**, not as a restitution of bygone days, and not as chaos to be muddled through.
- Managers can encourage employees to take a **zero-based approach** to meetings, to help them choose which ones to attend.
- And they can **prioritize the work** people do. Now is the time for organizations to finally tackle busyness and focus on the work that matters most. One global organization put a halt to new initiatives for a period of two months to allow for recovery, while another now examines which initiatives to “sunset” and how to intentionally limit the amount of work in progress.

In a companion piece, McKinsey experts spoke with Admiral John Richardson, former US chief of naval operations, about how to lead during long-term crises marked by deep uncertainty. Many of the naval analogies he shared translate well to civilian organizations. Captains rely on the “chief of the boat” to take the pulse of the crew and represent their needs. That’s one way the captain avoids being the ship’s “single point of safety.” If the captain is indispensable, he or she is also overstretched and

will inevitably make a mistake. And “recovery is critical to mission effectiveness.” Organizations need structures that protect time off and teams that make it possible for even their busiest members to take extended time off.

Case counts are rising rapidly in many countries, straining hospital systems. Our new research assesses how much slack is left in the system. The answer is not encouraging. In many US localities, for example, COVID-19 beds will be full by December 7, based on current trends (exhibit). We also offer ideas for hospital systems on how to use their resources to the utmost.

Few industries have been as deeply affected by the pandemic as fashion and retail. This week we published *The State of Fashion 2021*, our annual report on the industry, issued jointly with the Business of Fashion. Unsurprisingly, we estimate that revenues in 2020 will likely fall by 27 to 30 percent from the year before. Many global fashion companies may be at risk, and the pain extends to workers in low-cost sourcing and manufacturing hubs. But our research also finds that growth should resume in 2021.

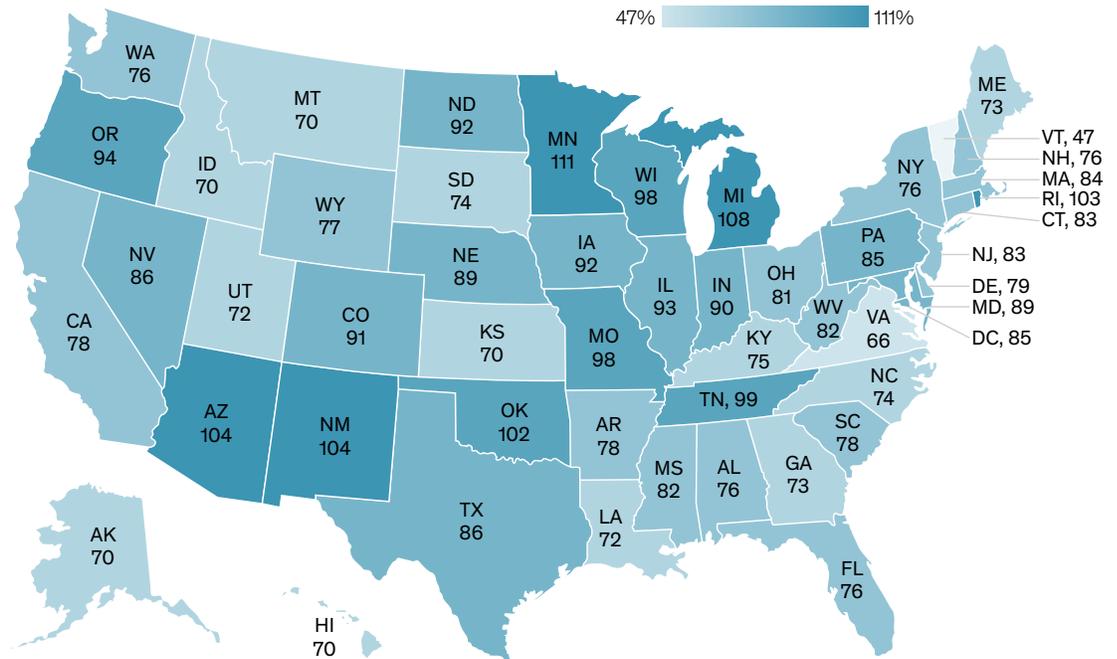
This week, our industry researchers also looked at the factors spurring healthtech investment, considered the future of European payments, reviewed the potential for privately owned autonomous vehicles, and detailed ten priorities for governmental resilience.

Finally, our climate experts trained their sights on India, a country that faces a rapidly degrading physical environment. India could become one of the first places in the world to experience heat waves that, in extremis, exceed the survivability limit for healthy people. More generally, heat and humidity will reduce labor productivity and hurt growth in an economy that relies substantially on outdoor work.

Exhibit

Potential hospital occupancy by December 7 based on scenario with constant transmission, length of stay, and hospitalization rates.

Potential inpatient occupancy based on current R trajectory in addition to current non-COVID-19 census
% of med surg and ICU beds occupied^{1,2}



ICU, intensive care unit; med surg, medical surgical.

¹Potential increase in hospitalizations calculated at state level, assumes constant non-COVID-19 census, constant COVID-19 transmission, length of stay, and hospitalization rates.

²Current inpatient occupancy data taken from HHS's State Representative Estimates for Percentage of Inpatient Beds Occupied and state websites when published (AK, AZ, DC, FL, GA, IL, IA, LA, MA, MI, MO, MS, NE, NV, NC, ND, OK, OR, PR, SC, SD, TN, TX, WI).
Source: Census data; Health and Human Services; Johns Hopkins COVID-19 data; USAfacts.org

Executives everywhere are thinking about the critical next months of the pandemic. Start with the McKinsey Download Hub to find McKinsey's latest research, perspectives, and insights on the management issues that matter most, from leading through the COVID-19 crisis to managing risk and digitizing operations. Also consider our special collection The Next Normal: The Recovery Will Be Digital. The first three installments—a 172-page report on technology and data transformation, a 130-page report on the path to true transformation, and a 206-page report on reimagining the

postpandemic organization—are available now. Two more are coming as part of Our New Future, a multimedia series we created with CNBC.

You can also see the full collection of our coronavirus-related content, visual insights from our “chart of the day,” a curated collection of our first 100 articles related to the coronavirus, our suite of tools to help leaders respond to the pandemic, and how our editors choose images that help readers visualize the impact of an invisible threat.

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