

Public & Social Sector Practice

Government transitions during crisis: How new leaders can take charge

Transfers of power are complex—in times of crises, especially so. Here are seven lessons for leaders at all levels of government transitioning into new roles.

by Kyle Hutzler and Adi Kumar



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The presidential election, 11 gubernatorial elections, and multiple state and local elections are scheduled for this November in the United States. That means, in the coming months, the United States faces the prospect of transfers of power across all levels of government amid multiple crises: the ongoing COVID-19 pandemic (which may potentially worsen during the impending flu season); an economy in recession; protests and a large-scale social-justice movement; and the compounding effects of climate change. Further, as the US gears up for elections, Americans' public trust in government remains at near-record lows.¹

A transition of government is a daunting and complex undertaking in the best of times. When a new administration assumes power, be it in a state capital or city hall, it must confront—as a former US governor² once said—the challenge of translating the poetry of its campaign into the prose of governance. New leaders must fill positions and master processes while events unfold without regard for the boldness of a leader's vision or the determination to enact it.

Transfers of power in times of crises are all the more precarious because governments are in heightened reaction mode. And decisions made during a crisis invariably reshape economies and societies for years to come. Governments control huge swaths of the economy—the US government's share of GDP is nearly 40 percent³—thus making their actions enormously consequential. The US federal fiscal response to the COVID-19 pandemic to date—\$4 trillion—has exceeded the cost of the two-decade war in Afghanistan.⁴

Unlike private-sector CEO transitions, government transitions involve not only new leaders but also

simultaneous changes in direct reports and deputies. In general, private-sector transitions can have flexible schedules and timing, allowing for smoother execution and less potential disruption than government transitions. In contrast, the timing of government transitions is legally fixed and must occur no matter the situational realities. Moreover, private-sector transitions can involve a period of shared power (or an outgoing CEO's transition to the chairperson role), while governments lack this level of flexibility. Furthermore, unlike CEO transitions, government transitions may follow hotly contested elections where the outgoing and incoming leaders are in opposition to one another. And even same-party transitions can create notable contrasts between administrations.

During crises, close collaboration between incoming and outgoing administrations will likely minimize harms. During the global financial crisis of 2007–08, the outgoing Bush and incoming Obama administrations consulted each other openly and extensively on major decisions, including those that could not wait until inauguration.⁵ The Obama administration also kept several key Bush administration officials in their roles as an important form of continuity.⁶

Governmental transitions may vary in degrees of regularity and seamlessness, and newly elected officials and civil servants may have different levels of ability. But a number of common lessons, which have emerged over McKinsey's decades of experience in serving federal and state government transitions, may offer helpful thinking to new leaders. The following seven lessons will help leaders who are transitioning into government roles recognize and avoid potential failure during these unprecedented times:

¹ "Americans' views of government: Low trust, but some positive performance ratings," Pew Research Center, September 14, 2020, [pewresearch.org](https://www.pewresearch.org).

² Mario Cuomo in the *New Republic*, 1985.

³ OECD data: General government spending, Organisation for Economic Co-operation and Development, data.oecd.org.

⁴ Douglas MacMillan, Jonathan O'Connell, Peter Whoriskey, "Doomed to fail: Why a \$4 trillion bailout couldn't revive the American economy," *Washington Post*, October 5, 2020, [washingtonpost.com](https://www.washingtonpost.com).

⁵ Joshua P. Zoffer, "The law of presidential transitions," *Yale Law Journal*, June 2020, Volume 129, Number 8, pp. 2500–72, [yalelawjournal.org](https://www.yalelawjournal.org).

⁶ Peter Baker and Thom Shanker, "Obama plans to retain Gates at defense department," *New York Times*, November 25, 2008, [nytimes.com](https://www.nytimes.com).

1. **Stop campaigning.** Especially during crises, rhetoric can get extremely heated as campaigns debate different visions for the path forward. But political rhetoric can substantially differ from the operational realities of running a government program. It's therefore important that new leaders move from campaigning to governing and relying on the professional members of government to ensure continuity and expertise.

New leaders should ensure that their new employees can be open with them in presenting their activities to date. People may understandably feel nervous if they were part of a program that was contested during the campaign and for which a change of direction may be imminent. It's on leaders to create an atmosphere for open dialogue where employees can voice their concerns and present the facts.

2. **Name appointees fast.** Many senior appointees at the US federal and state levels require legislative confirmation, which can result in delays between inauguration day and the complete installation of the full team. During a crisis, the cost of each vacancy in lost opportunity for impact is profound: significant amounts of in-progress, crisis-related activity may not have become institutional knowledge yet and may be disproportionately negatively affected by individual departures. Leaders may wish to consider keeping capable and willing

officials from an outgoing administration in their roles until replacements are confirmed. New leaders can express appreciation to those who are willing to stay on, and work together as one team with a clear eye on the mission.

3. **Be flexible while onboarding.** While peacetime missions, programs, resources, and assets are well documented, there may be little institutional knowledge to cushion new leaders' landing into activities related to crisis response. Leaders may be getting up to speed on crisis response through conversations and observation. They may also need to work against governments' natural tendencies toward deliberative action, which means that they and their organization may need to be flexible enough to make decisions with less data or precision. Leaders should be mindful of missteps that might undermine confidence in the overall response effort and make sure that their organization's day-to-day obligations are appropriately prioritized.

4. **Empathize with an exhausted workforce.** Work tends to slow down in the run-up to elections in noncrisis times, as well as after elections if a change of administration happens. The slowdown can occur in part because of deference to the next set of leaders and in part because the attention of other stakeholders, such as other lawmakers, is also shifting toward their respective elections.

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During a crisis, however, a slowdown might not occur. Instead, the workforce that new leaders inherit has in many cases been pressing forward without regard to the election cycle. In the ongoing COVID-19 crisis, many government workers may be facing the greatest challenge of their careers and, with each passing day, working under increasingly difficult circumstances. In a relatively short period of time, the US government has approved trillions of dollars in stimulus funds with the prospect of more to come, which means that sums equivalent to an annual budget may be spent in a matter of weeks.⁷ Operational budgets, meanwhile, may not have increased commensurately, but even so, surging personnel and resource needs can slow down impact instead of accelerating it.

New leaders may, in contrast, feel the opposite: they may be excited by the prospect of being asked to serve their country, fueled by a reserve of energy from not having been on the front lines of crisis response, and energized by a bevy of new ideas and initiatives that they envision enacting. They should therefore always keep in mind how their own levels of energy and enthusiasm relate to those of their staff, and how to best move forward accordingly.

In particular, new leaders should seek to understand and empathize with what organizations and individuals have endured to date—especially when they may need to ask even more of them. That means paying close attention to management practices so that they not only have true impact but also gain buy-in from overworked staff, as well as ensuring that an order for workers to change direction does not come off as an indictment of the tireless work to date. Wherever possible, new leaders should redirect resources and unburden staff from low-impact or distracting tasks. It's also important for leaders to celebrate successes even as they acknowledge how much work remains to be done.

5. **Calibrate actions.** In noncrisis moments, the actions of government organizations are often compared to turning a large ship, requiring lots of energy, time, and space. But during a crisis, governments can become surprisingly nimble, more akin to launching multiple swarms of speed boats. Of course, with the boats' speed and dynamism come limitations and coordination challenges. As governments administer new programs with limited institutional resilience in technology and processes, it is easier for harmful decisions to be enacted that would typically be caught and corrected by normal processes. These decisions can quickly cause crisis programs to go askew. For leaders who have prior government experience and are used to operating ships and not speedboats, the resulting impact and strength of their directions may come off as stronger than expected. New leaders transitioning into roles during crisis times should calibrate accordingly, and should seek to fully understand the operational implications of their decisions before changing course.

6. **Learn from counterparts.** In times of crisis, so much is happening that the natural tendency may be to hunker down. But even amid crisis, new leaders should broaden their frame of reference. In crises, the decisions made in other institutions and jurisdictions can have a significant and unanticipated impact on the organization of the new leaders. At the same time, crises that span multiple jurisdictions will invite comparative assessments.

As new leaders transition into their roles, they should look to learn early from their counterparts and share their own lessons—especially since different places will be in different phases of crisis and recovery at different times. New leaders should keep an open dialogue through existing channels they may be participating in, such as C40 Cities, the United States Conference of Mayors, and the National Governors Association. At minimum,

⁷ Douglas MacMillan, Jonathan O'Connell, Peter Whoriskey, "Doomed to fail: Why a \$4 trillion bailout couldn't revive the American economy," *Washington Post*, October 5, 2020, [washingtonpost.com](https://www.washingtonpost.com/economy/doomed-to-fail-why-a-4-trillion-bailout-couldnt-revive-the-american-economy/2020/10/05/).

these interactions can reduce the risk of operating at cross-purposes. At best, and where appropriate, they can even help amplify actions through a more coordinated response. Where these types of knowledge-sharing opportunities don't exist, new leaders should take the lead in standing them up, as some governors did when they created regional responses to COVID-19.⁸

Indeed, this potential for collaboration amid crisis is one of the greatest strengths public-sector organizations have. New leaders would be wise to ensure that any insights gained are shared across all levels of seniority, not trapped in the top layer. When the crisis is over, new leaders can then urge their organization to find ways to continue building on these deepened cross-institutional relationships.

7. *Even in the midst of crisis, look ahead to postcrisis.* In a crisis, focusing on anything unrelated to that crisis can be difficult. But leaders should balance two opposing forces: dealing with what's directly in front of them while planning for what's ahead. Some organizations balance their crisis nerve center with a plan-ahead team. While the former tackles immediate priorities, the latter organization is given the mandate of anticipating and preparing for what's next. Initially, that time period may be in days or weeks but may soon expand to months, including after the crisis.

New leaders should be strategic about what they take from the crisis into peacetime. Governmental organizations that have been granted certain authorities during the crisis—ones that never sunset—may create unnecessary baggage. Private-sector

organizations often do a better job of scaling down or phasing out crisis mechanisms when they are no longer warranted; in the public sector, the tendency to keep building on top of prior work can result in inefficiencies and mission creep. It is possible to scale down while nonetheless committing lessons learned to an organization's institutional memory and collaborating with stakeholders to identify the changes that can mitigate a future crisis—or prevent it entirely.

In responding to the crisis, new leaders should not lose sight of the ambitious change agenda that they were elected to pursue. Otherwise, they may find themselves unable to leverage the time remaining in their term and the goodwill created by their effective response. It is sometimes possible to advance a broader agenda in the context of crisis response, as some nations are doing by emphasizing green-energy investments in their economic stimulus.⁹ Where that is not possible, new leaders should leverage or create reset opportunities, such as in the next budget. After the crisis, while their workforce may just want to get back to normal, it will be up to new leaders to find ways to restore organizational health even as they commit the organization to further change.

Leaders who are part of government transitions amid times of national and global crises inherit a heavy responsibility. A combination of the right mindsets and actions can not only shape the successful resolution of the present crises but also position new leaders to realize the visions they were elected to achieve.

⁸ Daniel Strauss, "The US states uniting to combat coronavirus amid leadership vacuum," *Guardian*, April 27, 2020, theguardian.com.

⁹ Hauke Engel, Alastair Hamilton, Solveigh Hieronimus, and Tomas Nauc  r, "How a post-pandemic stimulus can both create jobs and help the climate," May 27, 2020, McKinsey.com.

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The authors wish to thank Catharina Wrede Braden and Thomas Dohrmann for their contributions to this article.