



# THE CORONAVIRUS **LEADERSHIP CHALLENGE**

**The coronavirus may be the most challenging crisis many leaders will face in their lifetimes.**

Yes, most of today's executives managed through the financial crisis and recession in 2008. And many faced existential crises brought on by technological disruptions or surprisingly fast moving and innovative competitors in recent years.

The coronavirus challenge is different. Unlike past crises where CEOs could make reasonable judgements based on economics and market behaviors, the coronavirus presents an entirely different type of risk.

Leaders of businesses are figuring out what to do almost daily. Should companies that are experiencing a downswing in business embrace a full-scale defensive strategy that entails cancelling new investments and laying off workers? While that approach will reduce financial losses and may ensure long-term survival, it will also severely constrain or cripple any near to mid-term growth agenda. And most likely it will cede market share to competitors and hurt the organizations' brands among employees and other stakeholders.

On the other hand, should the handful of companies that are experiencing a coronavirus-driven boom hire new workers and invest in new production – even though there’s a possibility that the pandemic will recede much faster than most experts predict?

For business leaders, the strategic questions are difficult – to say the least.

Decisions at the senior levels in organizations are often made based on incomplete information with an element of risk due to

uncertainty.

## **LEADERS MORE THAN EVER, MUST ACT.**

In this situation, that uncertainty is amplified and leaders more than ever, must act.

This creates a high stakes dilemma. Waiting too long (even a day or two) creates very real business and health risks and reduces options, moving too quickly could put a company on the wrong side of events.

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But the challenges facing CEOs and other leaders are not simply strategic – they are inextricably linked to the people they lead, the human bonds that organizations have built with their employees, customers, and other stakeholders. As importantly as making high quality strategic decisions - they must consider and respond to everyone touched by the organization in a thoughtful, empathetic, and positive manner.

# THIS IS **CRITICAL** BECAUSE OF THE **UNIQUE FEATURES** OF THE COVID CHALLENGE:

1.

There is high uncertainty and it appears unpredictable in the near term. No one knows how many people will become infected, how long societies will remain locked down, and when the virus will subside.

2.

It challenges us near the bottom of Maslow's hierarchy of needs - at the level of safety. This has the potential to trigger what Dan Goleman calls an "amygdala hijacking" in people. A personal, emotional response that is immediate, overwhelming, and may be out of measure with the actual event because it has triggered a much more emotional threat. In this condition our reasoning, problem-solving and even our ability to "hear" things can be impaired.

3.

It is a rapidly evolving and changing situation with conflicting sources of information. This creates a situation where attention is constant and fragmented, and at the same time there is no single expert solution on how it may resolve. These two features are what make it disorienting for leaders and those around them.

***"Great leaders in these times, must move people from being in fear, to acting on purpose."***

With that in mind, here are five actions leaders must "be" in a crisis, and five things leaders must "do" to lead effectively during this time...



A LEADER MUST BE...  
**CALM**

**“Anyone can hold the  
helm when the sea is calm.”**

- Publilius Syrus

We all know it's easy to be calm when things around us are calm, and challenges we face are predictable. As leaders navigating through the coronavirus crisis, leaders will encounter all levels of fear – from heightened anxiety to outright panic. While a level of concern is obviously justified, leaders themselves must stay calm.

Unfortunately, for all of us, emotions sometimes are our worst enemy. When confronted with an intense situation, leaders must first exercise personal control so that they can avoid their own amygdala hijack. They can do this by planning for meetings, considering the

range of emotions and a “worst case” scenario – so that they aren't surprised. If they are surprised, they need to pause, walk, take a break and not try to power through if they've been triggered. They must exercise emotional self-control. If leaders tend to be stressed, critical, or negative – that stuff leaks out, people can tell. In these times, people are very aware of their leader's mood or state.

Strong leaders display grace under pressure. They not only manage their own feelings; they help others remain level-headed and rational in the face of difficult circumstances and hard-to-control emotions.

# CONFIDENT AND POSITIVE

*In times of uncertainty and fear, it's doubly important that leaders show their confidence as well as express confidence in their organization, their people, and the direction they're taking the company.*

*Everyone is prone to private doubts. Leaders may need to remind themselves that they ascended to their positions for good reasons. As a leader, you are highly skilled and have a deep understanding of the business. There will be few others who understand their business and context better - so gather a diverse team, listen carefully, analyze the situation, and make the decisions. Trust your judgement. Your instincts will probably be right.*

# COURAGEOUS

*A great leader acts in the face of fear and uncertainty and inspires others to follow with dedication and passion. The important decisions they make are 51/49, where more data doesn't make things any clearer. These are not easy and comfortable decisions. They must work through their discomfort and make what they believe is the right decision for the organization, to launch and move even though there is no guarantee of success. Second, when things are tough leaders have to hold the course, hold steady and persevere.*



# EMPATHETIC

Of course, most leaders care deeply about others, but empathy isn't often thought of as one of the most important qualities for a CEO. Leaders face close-call decisions between what's right for the organization's long-term success (almost always requiring significant change) and creating a stable, positive, work environment and climate for their people. Great leaders find the way to do both.

The coronavirus crisis requires leaders to exercise fundamental empathy. First, leaders must be aware of the wide ranging and difficult emotions that people are experiencing in response to the crisis. Then they need to demonstrate their care and understanding. In our recent discussion of these ideas to over 3,000 professionals, when we asked them what leaders needed to "be" most - empathetic came out far and away as #1.

One of the ways to do this is to consider where people are on using the process that all people must work through in any crisis. The grief curve (developed by psychiatrist Elizabeth Kubler-Ross) notes that individuals go through five stages of

grief in a crisis: denial, anger, depression, bargaining and acceptance. Leaders can, through conversations and observation, identify where individuals are on the grief curve and respond with genuine compassion and listening when people are in the early stages, and with more guidance and direction in the later stages.

We know a CEO who focuses relentlessly on business, but occasionally uses jokes and humor to lighten the mood. However, sharing things about his personal situation doesn't come naturally for him. He keeps a bit of a distance. As the coronavirus crisis worsened, he hosted a weekend leadership call to get his team aligned for the week ahead. He began the call by sharing a personal story about his daughter who had a lung transplant and was living in isolation at a friend's house to avoid infection. While sharing personal stories like this was difficult, it both created trust and demonstrated that he empathized with the many difficult situations that others were inevitably going through. This undoubtedly will help the team work together more effectively through the difficult weeks ahead.



# RESILIENT

Leading an organization or team through the coronavirus crisis will elicit moments of frustration and discouragement. A resilient leader will not only reframe the situation in a positive way, but also actively work to re-energize the people around them.

For themselves, leaders should practice “creative abandonment” - that is, examine the things that drain their time and resources and ruthlessly cut them. So they can make room for the things that restore their inspiration, balance, and well-being. Perhaps it's exercise, a walk, or meditation. Whatever one's outlet is, leaders must sustain themselves for the long haul.

**These five areas that describe how to “be” a great leader, are followed by, what must one “do” as a leader in a crisis?**

## **THE MUST “DOS”...**



# EXPRESS A VISION

Leaders must give everyone clear direction, a view on where they're going - what some aptly call the North Star - and communicate the actions, values, and behaviors that will enable the organization to arrive at its destination.

But what's critically important in the coronavirus situation is that a leader gets very clear on their personal vision and purpose, their personal North Star. In a crisis this clarity will be an anchor in how they connect with employees and other stakeholders

at a deeper level.

For example, some leaders may want to tell their employees, customers, and stakeholders that they will put everyone's safety first, will act with impeccable social responsibility, and will focus on how the organization can thrive in the new normal as soon as possible.

A vision is not just describing a compelling future for the organization, it's an appeal to our better selves and a call to be the best we can be at this time of fear and uncertainty.



# COMMUNICATE

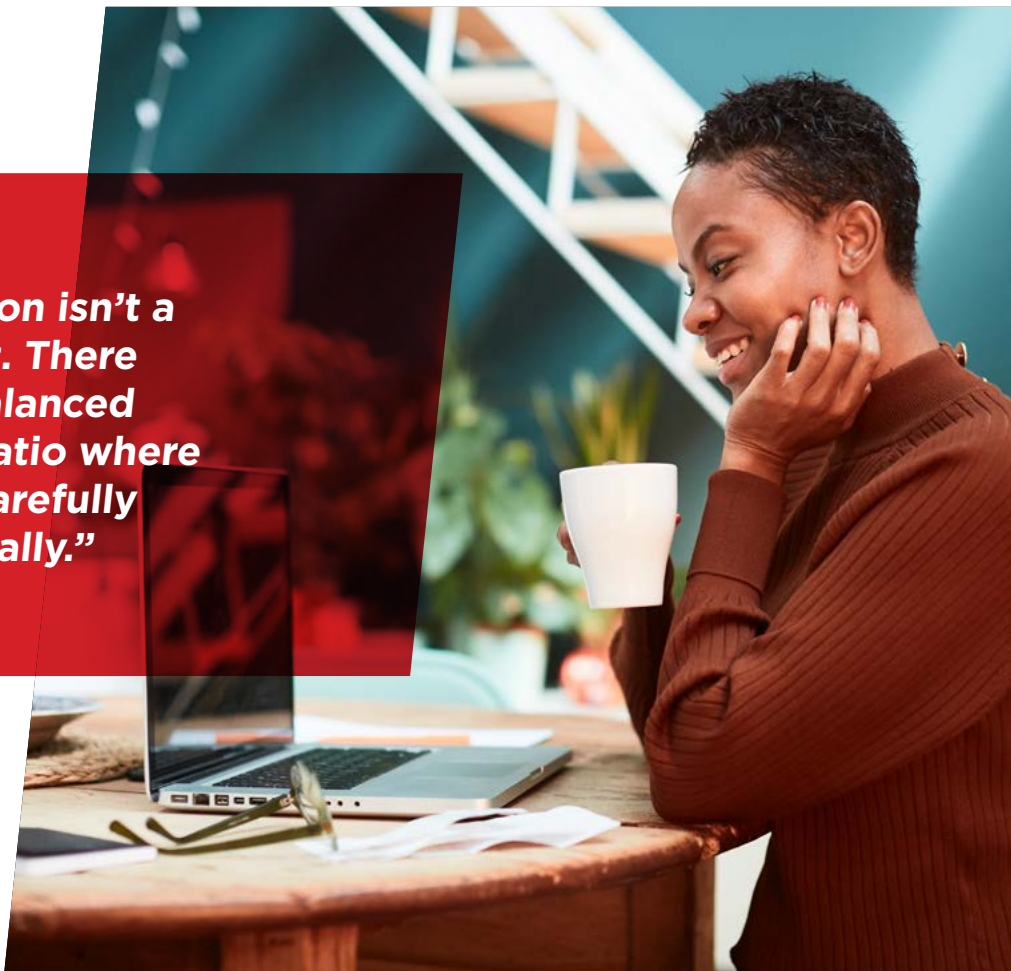
In times of heightened anxiety, people look to, and are comforted by, those they trust. Leaders should give thought to an authentic, reassuring, and concise set of messages that are reinforced and supported by leaders and managers at every level of the organization.

Importantly, this isn't a one-and-done. In a crisis, communication should match the fluidity of the circumstances and the anxiety that's running through

the organization. Leaders should get to that point where they have said something so many times that people can't possibly have not heard it several times...that's the point where it's probably just about enough communication.

And, finally, communication, by definition, isn't a one-way street. There has to be a balanced "talk/listen" ratio where leaders listen carefully and empathetically.

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# ACT

In difficult times, leaders should always default to a bias for action. It is often not our first reaction in a crisis. We can wait and assume people need a moment to settle down or recover. We want to move at a rate that they can absorb. But here is the thing. In a crisis, people are already disrupted – now is the time to ask big things, to make bold moves – while people are unfrozen and out of their routines and patterns.

## HERE ARE TWO GREAT EXAMPLES:



**A leading U.K. grocery chain, Morrisons, is accelerating payments to its small and medium sized suppliers to ease their fears over cash flow**

– a decision that will mitigate supply chain issues in the short-term and will enhance its supplier relationships in the long-term.



**A U.K. manufacturer has authorized as much overtime as possible to factory workers to give them extra cash in the crisis and to ensure that they can meet or surpass customer demand in the weeks and months ahead.**

Now leaders won't get it right every time, but still they must act!

**THE FORMULA IS THIS - ACT, SEEK AND ACCEPT FEEDBACK, AND SELF-CORRECT. IT IS FAR PREFERABLE TO WAIT AND SEE.**

# SEEK CLARITY

In a crisis, leaders must face the world as it is - not as they wish it would be. Great crisis leaders walk the fine line between expressing a confident positive message or vision, and creating a climate where truth is sought, and heard. Where the brutal facts are confronted and dealt with.

Time Magazine's woman of the year, Greta Thunberg, got the balance right between hope and truth at Davos, when she told her audience: "Yes, we are failing, but there is still time to turn everything around - we can still fix this. I want you to act as if the house was on fire. Because it is."

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# KEEP IT SIMPLE AND PURPOSEFUL

Leaders need to constantly remind people what's important and keep them focused on simple, clear organizational goals, not complicated strategies and interdependencies. Keep the messages clear and concise.

The CEO of Unilever issued **very clear instructions** on what employees should do in response to the coronavirus. It's a great example of communication in a time of crisis.

As we move further into the unknown with the coronavirus, leaders must continuously revise and simplify their priorities and rid themselves of long lists that can distract. Helping people stay focused, will be founded in simplicity for a while. Or, to put it more simply: "The main thing, is to keep the main thing the main thing." (Stephen Covey)

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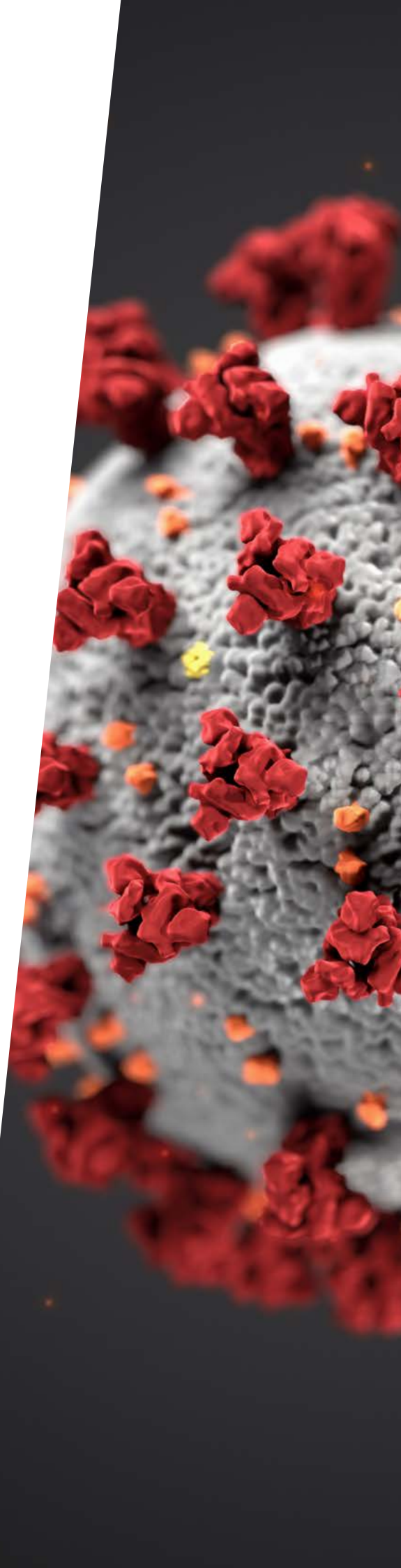
- Stephen Covey

*The economic and social impact of the coronavirus is beginning to take shape. Clearly, the world economy will slow down in the weeks and months ahead, with several industries and many companies likely to suffer enormous revenue losses. Others will experience a surge of growth and demand.*

*But the bottom line is no one knows exactly how the virus will progress, how long social distancing will remain in effect, and when our societies will return to some level of normalcy.*

*CEOs and other leaders need to continue to make decisions based on incomplete and conflicting information and lead their organizations through an unprecedented level of anxiety, uncertainty, and pain.*

*In this environment, it's imperative that leaders connect with their employees and stakeholders with care, express a clear and compassionate vision for navigating the crisis, and act decisively. This is how we will shift people in fear to move forward on purpose.*





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**ASK THE EXPERTS:** *Leading Through and Beyond COVID-19*