



Covid-Era CEOs Are 'Keen, Tough or Edgy'

Not all CEOs are created equal, but everyone can come out of this crisis stronger.

What preoccupies CEOs during the coronavirus pandemic? What challenges do they face? How do they deal with those challenges? What are the winning **strategies**? To answer these questions, we surveyed more than 300 CEOs and conducted over 30 interviews in Denmark, France, Germany, Hungary, Italy, Ireland, Poland, Russia and the United Kingdom.

Our findings point to three types of CEO emotional reactions to this crisis: keen, tough and edgy. Keen CEOs, who make up approximately 10 percent of our respondents, spend sleepless nights thinking about the new opportunities the pandemic has created. They search for acquisition targets, design new products and services, and negotiate with suppliers and other partners to create new win-win arrangements. As one of them put it: "Today is exciting, full of opportunities and changes!"

To them, the key challenges are keeping their team's creativity up in times of **remote working**, reproducing as much as possible face-to-face interactions online, and retaining talent. One CEO said: "Our only challenge is the loss of the natural creativity that comes from bumping into one another and exchanging ideas and updates with someone you might not have deliberately set out to meet."

The second category – tough CEOs – downplay the impact of the crisis on themselves. These

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executives, comprising around 30 percent of our sample, consider themselves coolheaded leaders who are determined to persevere and lead their organisations to a better future. "I am not losing sleep, I cannot afford to be tired these days. My team needs my energy," one of our respondents said.

The main challenge for these leaders is to find the time, discipline and will to lead their organisations through the crisis. They consider protecting employees' well-being and helping them stay productive their top priority: "I place the well-being of my team at the heart of what I do. I try to manage them in such a way that we meet company objectives and respect their interests."

The largest category of the polled CEOs accounts for more than 60 percent of our respondents. They reported considerable levels of stress and anxiety, so we call them edgy. Their top concerns are the fate of the business, the health and well-being of their families, and their personal mental and physical health. They struggle with staying energised and motivated. They tend to focus on pressing issues, leaving strategy and institution building for better times. As one of them put it: "What we do now is trying to put out a fire. We'll have to re-think our business processes later. Now it's all about saving the business."

In our survey, which category a CEO belongs to correlates with two factors: the financial health of the company and overall industry dynamics. None of the keen CEOs is from the aviation or hospitality industries. And, on average, businesses run by them were in a better shape than the ones under the tough CEOs. Companies managed by edgy CEOs suffered the worst drops in revenues and profits.

Personality seems to play a role too. The keen leaders whom we interviewed came across as optimistic, energetic and **highly resilient**. Most tough CEOs were self-confident, strong-willed and somewhat authoritarian. Edgy leaders often doubted themselves and their ability to navigate through the crisis. They expressed negative emotions and showed vulnerability.

To lead effectively in what is likely to be a multi-year crisis, CEOs need to adjust how they think about their role and how they go about playing it. They need to motivate and enable their teams to learn and perform to ensure the renewal and sustainable development of their business. To achieve these objectives over the long run, leaders need to become more resilient.

Cheat sheet for resilience

Our interviews show that many business leaders overestimate their capability to cope with stress and fail to address the issue effectively. Even CEOs who feel anxious and stressed rarely do something about it. They would be well-advised to remember that they are a major asset of their organisation, an asset that needs proper maintenance.

Whatever a leader's natural level of resilience may be, he or she can follow these four steps to keep **burnout** at bay.

1. Increase awareness

The state of our body (overall health and level of energy), mind (cognitive abilities), spirit (motivation, personal convictions and values, goals and faith) and relationships largely determine our resilience. Understanding where you stand in each of these aspects is the first step. One way to do so is to check in with yourself every morning:

How is my body?	1 (poor) to 10 (great)
How is my mind?	1 (poor) to 10 (great)
How is my spirit?	1 (poor) to 10 (great)
How are my professional relationships?	1 (poor) to 10 (great)
How are my personal relationships?	1 (poor) to 10 (great)

2. Set goals

Define daily objectives for each of the areas by answering the following questions:

Body - What am I going to do today to give my body proper physical exercise, rest, food and drink?

Mind - What am I going to do today to make evidence-based decisions? What am I going to learn and experiment with today?

Spirit - What am I going to do today to progress towards my goals? How can my activities today help me live my values?

Relationships - What am I going to do for my team and loved ones today?

Here are some examples of resilience-boosting actions from our interviewees:

"I will take a 30-minute nap to energise my body. I will take a 10-minute break every hour to sharpen my mind."

"I will run for 30 minutes after work to give my body enough exercise. I will call my old friend."

"I will discuss how we live company values with my team. I will make a contribution to my university's endowment. I will cook with my daughter our favourite lentil soup tonight."

3. Execute

As you implement your plan for the day, pay attention to the effect of each of your actions on how you feel and your management of the organisation. These observations will form the basis of your reflection later.

4. Reflect

Find a quiet place, sit down and ask yourself: "What did I plan to do to boost my resilience? What worked well and what did not? What have I learned about my body, mind, spirit and relationships?" A 10-minute reflection will give you an idea of what works best for you. It is also a strong resilience-building practice in itself.

Resilience tips by CEO type

Edgy CEOs would benefit from more positive energy. Aim to get regular exercise, at least seven hours of sleep, short breaks from work every hour, nutritious food and quality time with loved ones. To feel more in control of the situation, edgy CEOs may break down their work into different aspects, such as managing cash flow, protecting revenues, restructuring business and dealing with vendors, and allocate time and space to deal with each separately.

When making decisions, edgy leaders ought to resist their heart and follow their head. This means defining objectives and constraints, coming up with at least three viable alternatives and evaluating risks

associated with each before choosing the most appropriate option.

Edgy CEOs may also compare their organisation's performance with that of competitors today rather than with last year's results. They should look for bright spots, reward themselves for small wins and sketch out a brighter future. Most importantly, they should remember their values and key goals and use them as guiding tools for themselves and their organisation. Should the task of improving personal resilience become overwhelming, they may seek the help of a professional coach or mentor, trusted board member, spouse or a friend.

The main risk for tough CEOs is excessive self-confidence. Believing that they are invincible, these leaders tend to neglect personal mental and physical health, leading to burnout and more severe consequences. Tough CEOs need to tone down on the hubris, reflect upon potential risks and adjust their routines to make time and space for self-care. They may also try to open up to their team members or share the burden of leadership with trusted aides.

Keen CEOs should make sure that rigorous management of current operations, especially risks, supports their future-oriented projects. The pandemic crisis has accentuated the three elements of effective risk management: identifying relevant risks and scenarios; fostering adaptability in decision making and management to adjust quickly to change; and building resilience into the business model to withstand external shocks.

Finally, no CEO, however resilient, is immune to the novel coronavirus. Having a designated and trained successor or deputy ready to stand in for the CEO whenever necessary is more important than ever before.

This is the first part of an essay on the challenges and winning strategies for CEOs in the Covid-19 crisis. The second half will be published in the following weeks.

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