
Three CEO Strategies to Guide Companies Through Crises



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We distil top executives' experience for the ideas that work.

"If your actions inspire others to dream more, learn more, do more and become more, you are a leader," said John Quincy Adams, the sixth President of the United States. In the best of times, Adams's advice is tough to achieve. In a crisis, it requires something special.

To find out what that might be for business leaders in the Covid-19 pandemic, we surveyed more than 300 CEOs and conducted over 30 interviews in Denmark, France, Germany, Hungary, Italy, Ireland, Poland, Russia and the United Kingdom. We found that three strategies work particularly well.

1. Be authoritative yet compassionate

In times of crisis, stressed employees expect their leaders to be cool-headed, confident, and decisive, and to show the way forward. They also need empathy, personal attention and compassion. "Your employees and colleagues look up to you for support and guidance, especially in turbulent

times,” one of the CEOs in our study said. Another confided: “I may feel lost in the morning, but when I get in front of the troops, I have to radiate confidence and optimism.”

Leaders have to find a balance between being decisive and considerate, confident and caring, and authoritative and attentive – all at the same time. One told us: “I have to be a confident father and a caring mother for my employees. Of course, they want me to show them the way and to give them clear instructions on how to survive. But if I don’t demonstrate compassion, I will lose their support quickly.”

2. Be enabling

When the level of uncertainty is as high as it is today, nobody has all the answers. Smart leaders understand this. They don’t monopolise decision-making but focus on **creating conditions for collective learning and productive work**. “This crisis shows that I should avoid micro-management and teach my employees to be more autonomous and demonstrate leadership in their respective roles,” said one CEO. “They have plenty of great ideas but are not always comfortable taking the initiative.”

The new reality requires new knowledge and new competencies. To develop them, employees need to embrace what some management scholars call “execution as learning” or “R&D operating mode” – create hypotheses, experiment, reflect upon the results, repeat the experiment, and finally, adopt the successful approach. “I keep telling my people we no longer know what works, so try things on a small scale, get feedback, make a decision to carry on or drop it,” a respondent told us.

To promote “learning by doing”, our interviewees repeatedly reminded staff members of the approach, gave them time to experiment, praised both success and failure, and organised information exchange and training sessions. One leader recalled, “After trying it for a while, my team came up with an idea – instead of waiting for briefs from clients, as we did previously, we proactively offered them solutions for their problems. We made it a corporate practice. Sales went up and the team’s motivation soared.”

Learning and executing in times of high uncertainty demands teamwork that transcends traditional business functions and units. Professor Amy Edmondson of Harvard Business School calls it **teaming** – effective collaboration outside a formal organisational structure. Leaders facilitate

teaming by setting ambitious cross-functional goals, encouraging company-wide collaboration and creating formats for collective creative work. Companies under lockdown have quickly trained employees to work on projects without face-to-face interactions. Others have built into work schedules what they call “collaborative hours”, when employees are encouraged to explore new ideas and develop joint projects with people from other departments.

The CEO of a mid-sized media company came up with four themes – restructuring, new products, new clients and future – and invited all employees to participate. Another CEO launched a company-wide campaign to “get rid of outdated stuff”. She said: “Without much top-down coordination, the team not only came up with dozens of ideas, but actually liquidated non-productive meetings, unnecessary procedures and even client offerings.”

3. Be fair, transparent and accessible

At a time when many tough decisions are made under high stress and uncertainty, leaders ought to pay special attention to fairness in the decision-making process and **openness of communication**. “I quickly learned that I need to adjust my communication in two ways. Now I listen a lot more,” one CEO told us. “People appreciate it and it also gives me much-needed information. I also spend more time explaining why I made certain decisions. I find that this helps employees accept the most difficult decisions.” Another said: “We are a private company, but one month into the crisis, I made a decision to open our books to all employees. We share all operational and financial data and openly discuss our challenges. It has had a tremendous effect on team morale.”

Many CEOs in our survey had begun to write daily emails to their teams to explain major challenges and decisions, introduced weekly or biweekly Q&A sessions with employees and conducted regular employee surveys. A veteran CEO said: “In my 30 years in business I have never felt so close to my team. I am sure it will have a tremendous long-term impact on our company.”

The long shadow of crisis performance

Like previous global crises, the coronavirus pandemic will pass. But the impact of what leaders do in the darkest hour will linger for years to come.

Whether they like it or not, CEOs create a legacy through their words and deeds every day. Said one of our respondents: “I have no doubts we will survive this crisis. The true challenge is if we going to survive by sticking to our values. It’s a real test for me and the whole leadership team.”

Leaders will be remembered for what they choose to do or not to do, how they make decisions, how they communicate and respond to people during this moment of need. It might help to emulate the example of another inspiring national leader. Queen Elizabeth II, who has calmly guided the United Kingdom through multiple crises during her long reign, **rallied her people in the midst of the pandemic**: “I hope in the years to come everyone will be able to take pride in how they responded to this challenge.”

*This is the second part of an essay on the challenges and winning strategies for CEOs facing Covid-19. The first part is **Covid-Era CEOs are ‘Keen, Tough or Edgy’**.*

Find article at

<https://knowledge.insead.edu/leadership-organisations/three-ceo-strategies-guide-companies-through-crises>

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Established in 2010, the **INSEAD Corporate Governance Centre** (ICGC) has been actively engaged in making a distinctive contribution to the knowledge and practice of corporate governance. Its vision is to be the driving force in a vibrant intellectual community that contributes to academic and real-world impact in corporate governance globally.

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Covid-19

Covid-19 is no longer a global health emergency but its impact on public health, the global economy and the future of work cannot be overstated. INSEAD's thought leaders — both faculty and their close collaborators in the practitioner and entrepreneurship communities — give their informed perspectives that could help us not just weather the crisis but emerge from it stronger than ever.