

CEO Leadership in Turbulent Times

There's an old saying:

- When you're running a business in good times, have a plan.
- When you're running a business in bad times, have a simple plan.

But what happens when even your simple plan isn't working? That's what confronting numerous CEOs and C-Suite executives during this most extraordinary period. Many have done all the "right things" and still find their companies in crisis. Few have seen such a deep and rapid impact on their business due to external events beyond their control. There's no simple recipe for success, but what are the best CEOs doing differently as they lead their organizations through the turbulence?

Abandon Strategic Planning for Now

Many CEOs we speak with have switched to scenario planning as their key analytical tool, e.g., what happens if our revenue drops 10%, or 20%, or 30%? Developing multiple hypothetical situations along with carefully thought out contingency plans for each outcome prevents a mad scramble (with its accompanying risks) if the worst happens.

Rely on the Senior Team

Our clients are telling us that this is essential. CEOs need the benefit of the best thinking from those around the table. It's not the time for power games, stonewalling, or opting out. Senior team members must both support each other and hold themselves mutually to task. As never before, the success of the company is one of shared accountability across the entire senior team, regardless of role.

Respond to Employees' Needs

RHR has defined four key concepts when leading people during times of uncertainty:

- Inform: As people struggle to make sense of a new situation, they are particularly hungry for information and analysis.
- Connect: To generate a feeling of trust with employees, people need to feel a highly personal presence and connection.
- Guide: People want strong leaders who are comfortable giving direction on what to do and what not to do.
- Unite: Especially in turbulent times, people value a sense of human community.

For more information about these four key concepts, RHR has published a special white paper entitled, "Leadership in Times of Uncertainty." It is available on our website: www.rhrinternational.com.

Develop New Skills by Necessity

With unprecedented demands placed on CEOs, gaps between what has worked for them in the past and what is required today become apparent. Many of the elements listed above will stretch their capabilities. Of note, also, is the need for a balanced thinking and decision style. Those who are highly analytic are confronted with a less predictable world where cold logic is insufficient. Conversely, intuitive thinkers can quickly find themselves and their companies in greater jeopardy without the necessary analytics to support a gut response.

Think About How You're Faring

Self-management under profound stress is not something most CEOs do well. They rely on their drive and stamina to see them through, and generally this is sufficient. But these are unusual times, and a modicum of personal care is called for. As unnatural as it may be for some, we recommend that CEOs **engage** and **reflect**. This is not a time for isolation. Leaders need to reach out for the best thinking of those around them – from their teams, members of their board, customers, outside advisors. Reflection is a rare skill for most hard charging, forward thinking CEOs. But it is an important element of personal pulse-taking that allows for mental shifts and emotional centering. Asking oneself such questions as:

- What are my choices? How am I responding? What impact am I having?
- How am I feeling? Is my energy channeled in the most helpful directions?
- How do I typically respond when under severe stress? How am I reacting now?

Reflection is difficult for most of us without the gentle prodding and support of a trusted advisor. Many CEOs turn to one or two people they can count on – from their board, a fellow CEO, or a valued consultant. These are relationships that encourage the CEO to privately let his or her guard down a bit and to ruminate about what to do next.

A Final Thought

All indications are that the economic upheaval will be with us for some time. CEOs and other senior leaders will be called upon to make decisions that they never thought would be necessary. The business world as they knew it may never be the same again. Paradoxically, the finest leaders will become even better because of it. They will have a new-found perspective of the world, greater respect for those around them, and both humility and confidence in their ability to weather the storm.