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LEADING THROUGH CRISIS: LESSONS FOR MANAGERS FROM COVID-19, LAYOFFS, AND MARKET DISRUPTIONS

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When the Playbook Does Not Exist

In March of 2020, managers everywhere had about 48 hours to think hard about how they could continue operating their businesses uninterrupted. How to operate when there are no pre-written protocols, no guidelines set, and no expiry date. What followed was what we all know — the pandemic. A wave of mass layoffs, fluctuating markets, and disrupted demand-supply chains pose a massive challenge to modern-day managers. The leaders who cracked it were ironically not always the most experienced or resourceful. Instead, they were the ones who stayed calm and played out strategies while everything was total chaos.

Effective leadership during a sudden crisis is not reserved only for government officials and emergency responders. In the 21st century, managers and companies are finding it hard to keep their business stable and earn income. The three major Challenges for the Management of Companies that this blog talks about are the COVID-19 pandemic, the Big Tech layoff wave and the market disruptions of 2022-2023. Every manager in a company dealing is not alone and can use these 6 lessons.

COVID-19: Leading When There Is No Roadmap

The outbreak of COVID-19 made matters worse by wrecking markets, disrupting demand-supply chains and quarterly targets. Overnight, managers and businesses were expected to come up with alternatives to maintain productivity where there is a lack of man-power, resources, proper infrastructure, etc., while simultaneously supporting teams psychologically.

In a research study by D'Auria and De Smet at McKinsey, the authors discussed a recent shift in effective crisis leadership. In modern-day management, leaders are not supposed to be portrayed as the "expert in the room", but as someone who can come up with practical and reliable solutions for their teams when times and situations are rapidly changing. Earlier, managers used to command and get work done, but that mode of work can easily collapse during a crisis where everyone is already panicking and isolated.

The authors Brassey and Kruyt, alongside McKinsey, observed that during the pandemic, being the kind of person people trust when the plan falls apart is a powerful skill a leader can possess. Managers don't need to fake positivity; they just need to be calm and reassuring. People working under you just want to be reassured that everything will be figured out eventually.

Another study on non-profit crisis leadership during COVID-19, conducted in India and the United States, found that companies and management who were transparent and actively responsive to their employees, even if they had no constructive guidelines, consistently maintained carrying out conducive business practices and trust throughout. It was found to be more effective than employers who stayed formal and silent. Following are lesson gathered that were consistently praised:

Lesson 1: clearly communicate with your employees beforehand, stay consistent by listening and find solutions. Remember, honesty is the best policy. It doesn't matter if you still haven't found any solutions, but keep the communication going. Don't go silent; it will be seen as weakness at a time of chaos. Your silence will not go unnoticed, and your team will start to fear. Silence is never neutral.

Lesson 2: Empathy is often judged as a soft skill, which is funny because, in the Harvard Business Review's analysis of pandemic-era leadership, it was termed a performance multiplier. It was found in the span of the last five years that being understood and acknowledged about your personal struggles by your managers significantly kept the teams together.

Mass Layoffs: The Test of Humanity in Leadership

During the Big Tech layoff wave of 2022–2023, the numbers were staggering. Meta CEO Mark Zuckerberg wrote in an internal memo that "success is not a given," a striking point. 8,000 employees. That's how many Meta laid off in May 2026. Amazon laid off around 16,000 corporate workers in January 2026 by Amazon. Why? An anti-bureaucracy push. Google did the same in 2025 and into 2026. Are these any other struggling startups? And yet their managers had laid off colleagues, friends, and high-performers.

SHRM's guidance for laid-off employees gives three important steps: communication, compassion, and compliance. It is done by sending adequate notice to employees in advance and offering quality severance packages, which help maintain good relations with ex-employees and protect the company's reputation. Rather than following a laid-off pattern, managers should focus on deep conversations. This is known as survivor's guilt in the workplace—also known as Workplace Survivor Syndrome—and is the psychological and emotional distress experienced by employees who remain after layoffs or restructuring while others are let go. It results in decreased production and minimal trust in the organisation.

Lesson 3: Be cautious of how you let employees go. It affects your leadership reputation more than you can imagine. Make it look humane and considerate. Make your employees think you are fighting for their dignity.

Lesson 4: After you laid off certain employees, it's important to know what your remaining team is thinking. Rebuild your trust in them, engage in conversations, and communicate the organisation's goals to show direction. Show visible confidence in the rest of the team

Market Disruptions: Agility Is Not a Buzzword

Forbes analysed the indian management and noted that companies, especially in the consumer and FMCG sectors, are changing their top leaders very quickly during their economic ascent. When the people at the top are changing frequently, it puts a lot of pressure on the managers in the middle. They have to keep everything going and make sure their teams are sound even when things are uncertain. Forbes further noted that managers should not only be good at understanding teams' feelings but also adapt to situations and make good decisions quickly. It's called strategic agility, and this is more important than emotional intelligence.

Spencer Stuart's research on post-crisis leaders identifies a critical skill. Leaders can think about what's happening right now and what they want to happen in the future. leaders who are stuck in "firefighting mode" and focus only on current issues tend to miss the big changes happening around them.

The Hindu's coverage of Indian industry leaders reflecting on leadership in chaos highlighted the ability to hold operational and strategic thinking together. An effective leader can pay attention to what's happening with the company right now, and they can also think clearly about the company's future direction simultaneously.

Lesson 5: Scenario planning. The ability to think ahead of a crisis is no longer optional. It will help managers to become much better at making smart decisions.

Lesson 6: Preserving your team's resources and energy. Crisis management burns people out. An effective leader will protect his team from unnecessary stress and outside noise during market disruptions by focusing on the team's overall well-being and productivity.

What Every Crisis Has in Common?

Rao and Sutton's McKinsey framework captures it beautifully: the best leaders move their teams from "a room called fear" to "a room called hope." It's not being overly positive and ignoring the reality. It is about giving people hope- a hope and belief in the team that their work matters and their leader stand up for them.

Ringel and Solomon in the Harvard Business Review (2025) gave five pointers during the pandemic era. These lessons will work regardless of how significant an issue an organisation is facing: leaders learn to adapt, creating a safe space for their employees, a free flow of communication, when to slow down to make smart decisions, and lastly, build on morals rather than quantitative data.

The Crisis That Has Not Happened Yet

Every manager reading this is either currently navigating a crisis, recovering from one, or about to enter one. Crisis leadership is a skill. It is built from practice. It shows in how you converse on ordinary Tuesdays. The way you handle inter-employee conflicts. The way you treat people who work under you, and you, when there is no crisis.

The best crisis leaders are not the ones who had all the answers. They are the ones their teams trusted enough to figure it out together.

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