


# COVID-19: PEOPLE AND ORGANIZATIONS UNDER PRESSURE

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**As the global pandemic forces countries into continued lockdown and entire industries into crisis management, IMD's survey reveals the range and scale of organizational and personal challenges it has unleashed across the workforce.**

The novel strain of coronavirus, COVID-19, has created a watershed moment in civic, economic, political and organizational terms.

As governments strive to protect the public, the economy and their essential workers, entire industries are buckling and families are locked down in their homes trying to juggle work and domestic commitments on remote and as best they can.

IMD conducted a survey, between March 23 and April 2, 2020, of leaders affiliated with us in order to begin to comprehend the manifold effects of the ongoing crisis within the organizational and personal lives of its thought community.

We received 455 responses from senior executive to junior staff level and from a broad cross section of industries. The organizations represented in the survey were equally diverse, ranging from the publically held, to the private enterprise, the NGO to the governmental office. The size and scale of our respondents' businesses were also varied, from those with one employee to those with a payroll of 50,000.

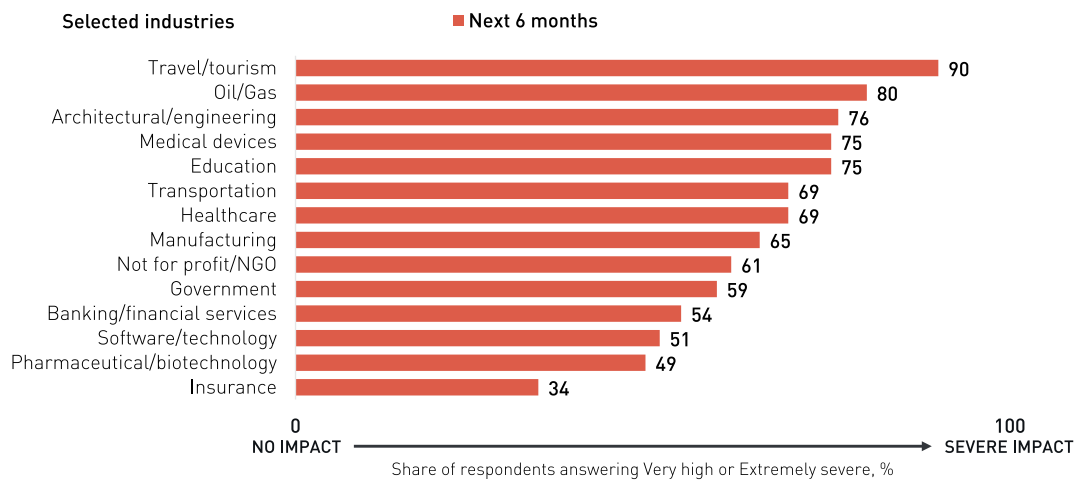
Our key findings offer valuable insights into the stress load across industries and within organizations, and the repercussions upon the personal lives of working men and women faced with an unprecedented emergency.

## INDUSTRY-SPECIFIC STRESS

The reported severity of organizational impacts due to the crisis varies across industries in largely predictable ways in the short term. We saw the greatest impacts in industries that are most affected by social distancing policies, such as travel and tourism. Those that faced reductions in the demand due to business closures, such as oil and gas, also felt severe short-term impact.

An interesting revelation was that the medical devices industry is being impacted by the dramatic reduction in elective surgical procedures. Finally, and of note, was the insurance industry – one of the least affected, probably because damage caused by pandemics was not covered in most business policies.

### The impact of crisis across industries in the next 6 months

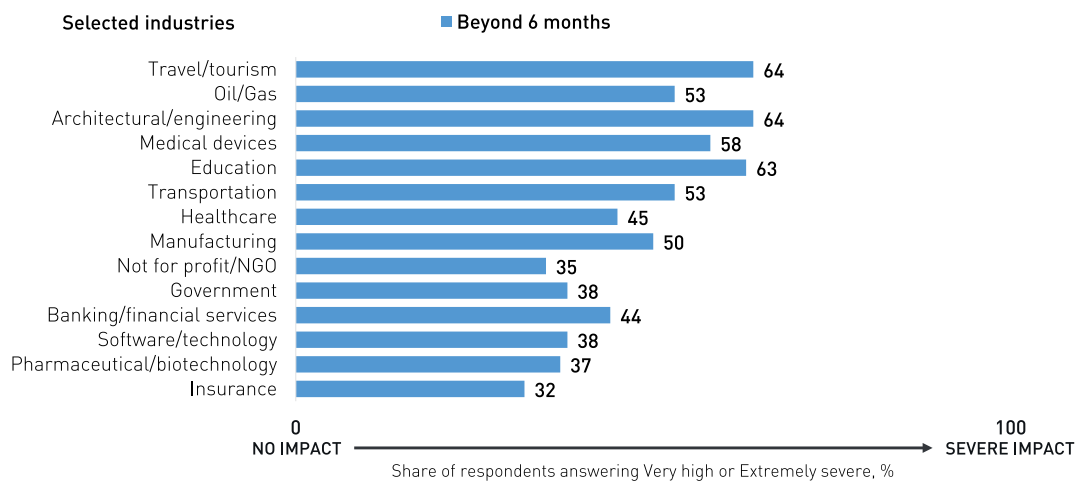


Respondents were also asked to anticipate impacts post-six months of the crisis and a similar pattern is seen, although with lower average anticipated severity. That said, our responses to this question, included concerns that the organizational focus was too short term. We also received responses that revealed more macro concerns. One respondent noted s/he was experiencing “Anxiety for the uncertainty about how the world will look like in 6-12 months”.

## PERSONAL STRESS AT WORK AND AT HOME

When it came to the severity of the challenges leaders reported having faced personally at work, we saw strong correlates with the severity of organizational impacts by industry.

### The impact of crisis across industries beyond 6 months

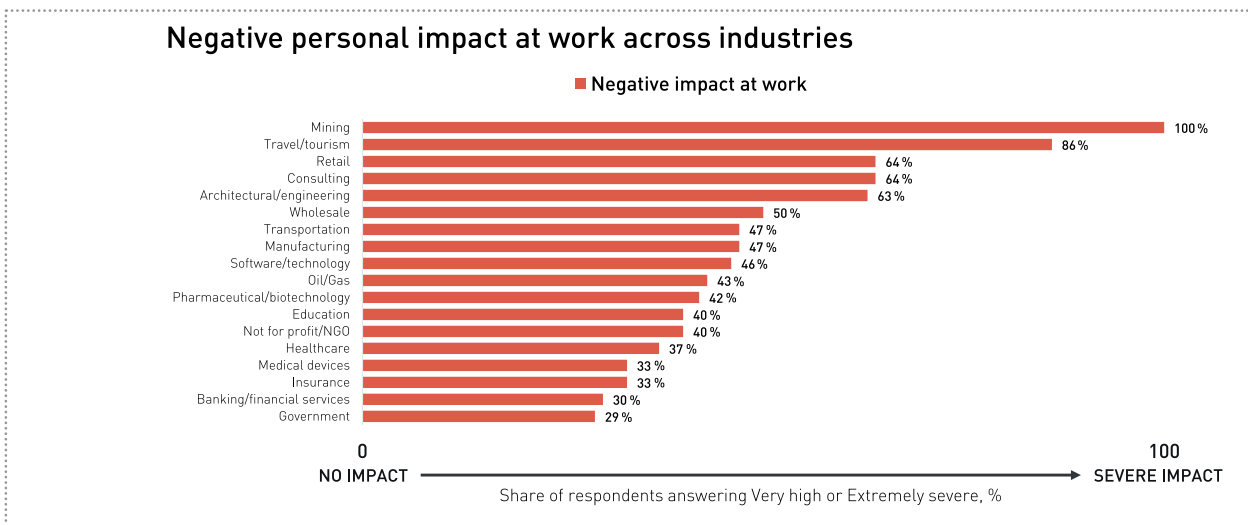


Stress was highest in those leaders who worked in the worst impacted industries. Their concerns ranged from feeling unrecognized and unappreciated for the extra work they were taking on during the crisis, a lack of understanding of the economic impact by employees, friends and family, and wider societal concerns over the pandemic and its effects.

However, the severity of the challenges leaders report facing personally at home did not appear to depend on the severity of industry-level impact or the extent of personal impact at work. People across the board expressed feeling deeply affected by issues related to family separations, overseas relatives and caring for older family members. One respondent said: "I feel emotionally drained since most people are depending on me for emotional support," reflecting the experiences of many at this time.

### WHEN SIZE MATTERS

Our survey found publicly traded companies were less concerned about impacts in both the short and medium term than other types of institutions, while the concerns of those working in privately held, NGO and governmental organizations remained higher in both timeframes. One



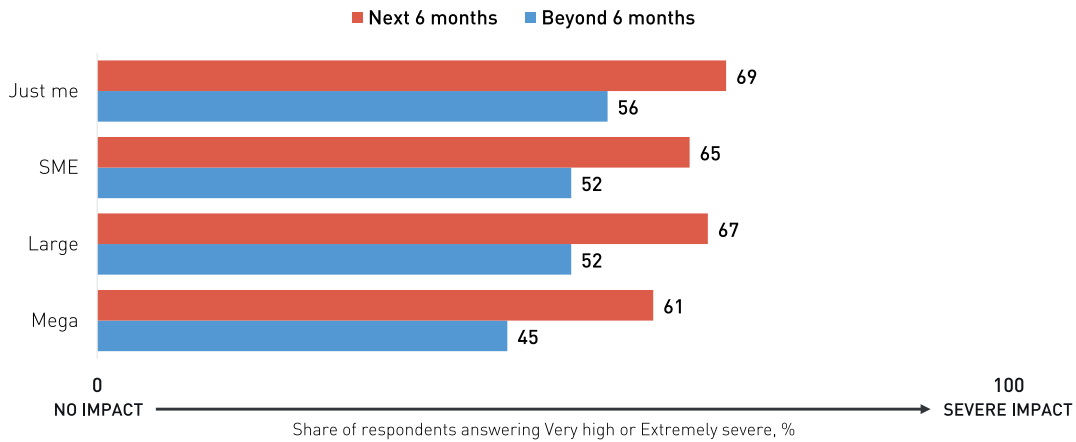
of our respondents spoke of a prevailing "sense of high loss; this is my family company". However, while companies of all sizes displayed about the same level of concern in the next six months, large companies were less concerned than smaller firms about negative impacts in the longer term.

Similarly, concerns over job security were greater among those working in smaller companies. A number of respondents spoke of having low confidence in having a guaranteed job for the



future, the chances of success in finding another job at a similar level and some spoke of having to make choices between being safe or having a job.

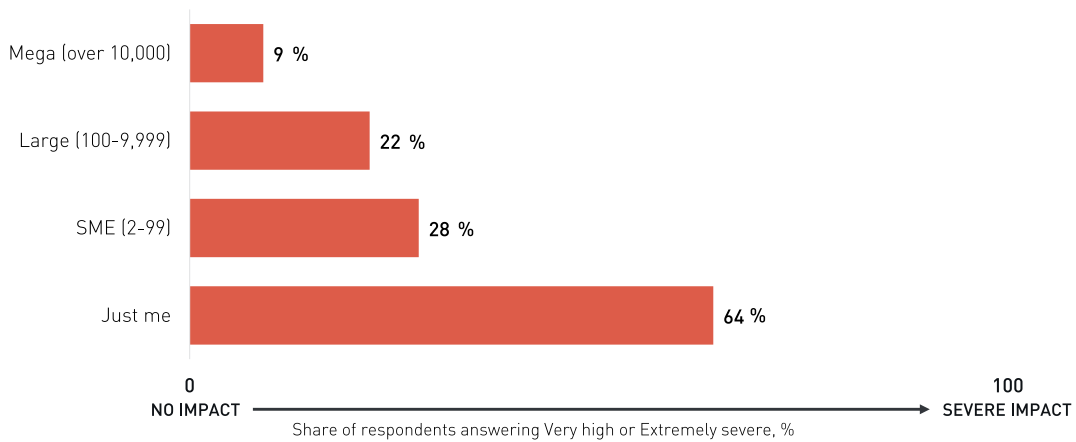
### The impact of crisis by company type



### LEADERSHIP SKILLS BOTH TOP DOWN AND BOTTOM UP

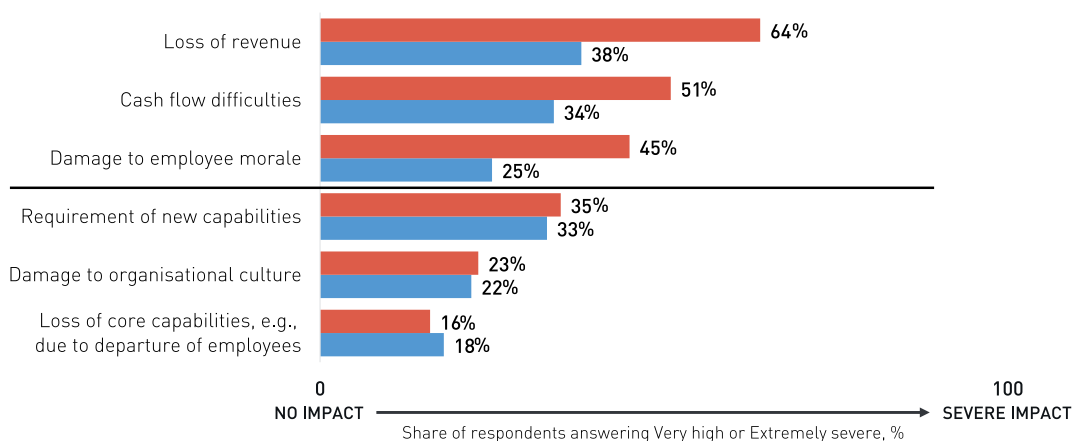
Leaders in our survey were understandably concerned about short-term issues, such as cash flow and loss of revenue, but we noted a significant minority expressed their worries about the wider capabilities and cultures of their organizations, both in the short and medium term. They

### Job loss concerns by company size

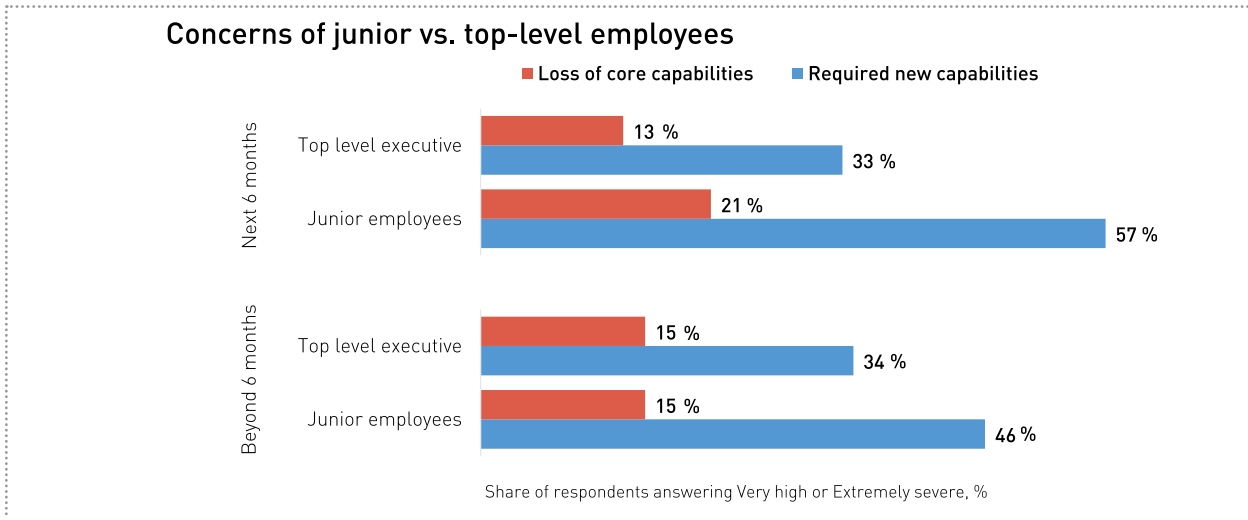


expressed feeling significant responsibility for managing the morale, the anxiety, the mental wellbeing and the motivation of their employees.

### Short and medium-term impact



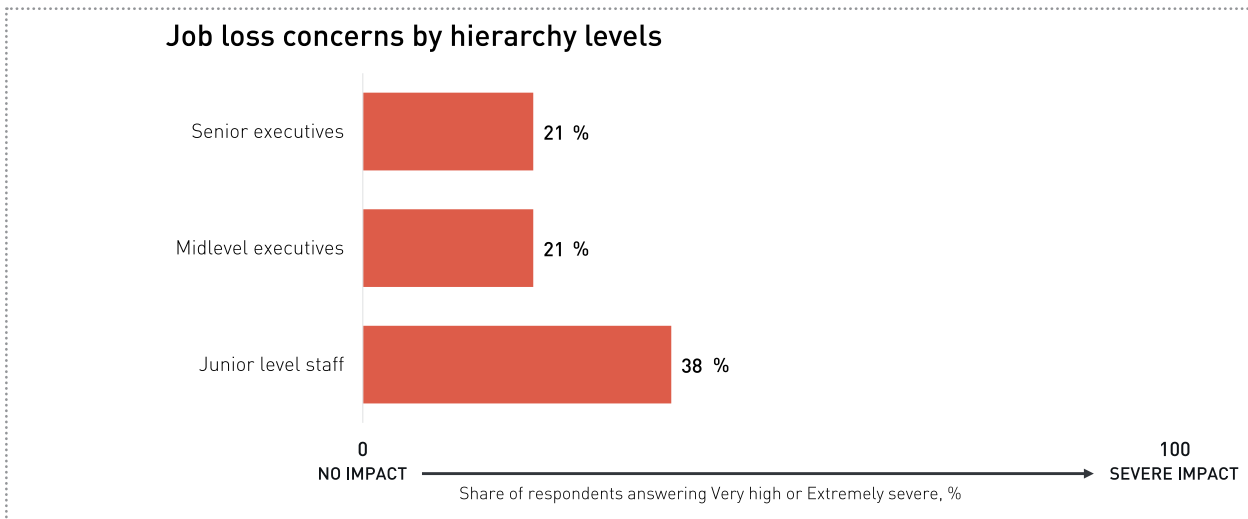
Our survey made it clear that the economic ramifications of the covid-19 crisis are stirring deep anxieties in workers, with a surprisingly high number of junior-level employees expressing concern about the loss of core capabilities and the necessity to develop new capabilities over the mid-term than executives.



Junior-level employees also reported worries over potential job losses. Close to a quarter of mid-level and senior executives shared these concerns, with one respondent reporting their “concern about the difficulties of workers in the face of wage reductions”.

### HOME TRUTHS

When it came to the challenges and the benefits of working from home, our survey gave us significant insight. The current lockdown restrictions mean that, as expected, personal anxiety and



income reductions loomed large in top three concerns among respondents. They also expressed concerns over a loss of efficiency with a scattered workforce and the all-too available distractions of home working that demanded new work structures and disciplines to be put in place.

However, a significant minority of respondents also noted the benefits they had experienced. For some in our survey sample, these were focused on the immediate work-related advantages. They spoke about feeling more productive, more focused, and more connected to colleagues and family.

Others felt the crisis situation led them to develop a more wide-lens view of the current situation and societal responses to it. One respondent said they had undertaken “A lot of reflection on how people and society react[s] on this crisis, how [the] media may dominate and how people let

themselves be influenced by the media and lose their critical perspective”.

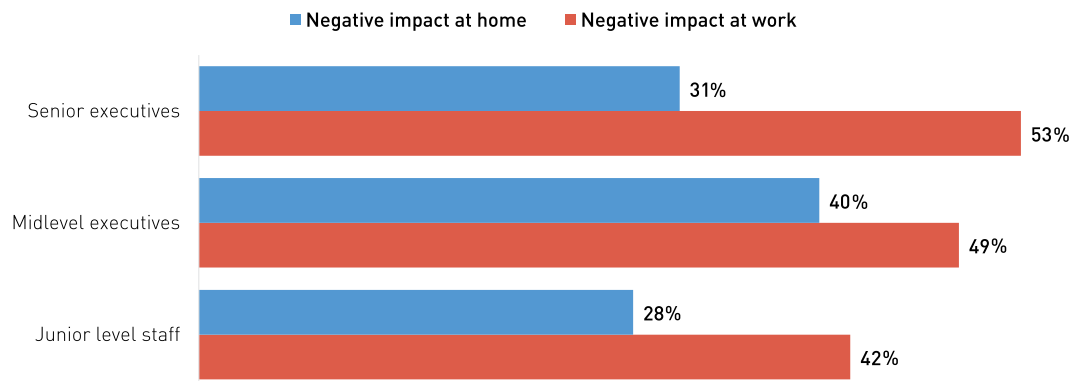
A number of those surveyed also expressed a greater compassion and awareness for the situations of those in other countries.

### Challenges and the benefits of working from home

CHALLENGES	MENTIONS	CHALLENGES	MENTIONS
Working remotely / leading at a distance / need for communication / lack of coherence / impact on productivity	17.2%	Personal reflection, learning, development	12.1%
Personal anxiety / fear / impact on motivation & morale	15.0%	Family and friends / more cohesion and connection	7.2%
Income reductions / shortfalls / losses	8.1%		<b>19.3%</b>
Social activity disruptions	7.8%		
Personal health and safety	7.6%		
Family and friends fears / challenges to support / inability to connect	6.8%		
Inability to travel / loss of mobility	5.9%		
Increased pace / greater workload	5.5%		
Uncertainty about the future / difficulty planning	5.3%		
Shifting to crisis mode	1.5%		
	<b>80.7%</b>		

And while work-related challenges are perceived as being greater at more senior levels, our survey found that it is mid-level leaders who are experiencing the most challenges at home.

### The impact of crisis at home and at work by seniority level



The COVID-19 pandemic will continue to affect our lives and livelihoods for the short to mid term and its economic repercussions are likely to stay with us for far longer. As our ecosystems of colleagues, teams, family and friends struggle to absorb the ongoing shocks of the crisis, organizational culture can expand to meet the challenges of the current crisis and build resilience by acknowledging the human fears we share and sense of purpose and values we have in common.



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