



# COMPOSURE UNDER FIRE

## WHY EMOTIONAL REGULATION DEFINES MODERN LEADERSHIP

*When the CEO's nervous system becomes the organisation's strategy*



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**In** today's business environment, disruption is a hard contemporary reality, the outcome of which we are witnessing. In the last 4-5 years I have seen businesses set sail to different countries overnight because of geopolitical tremors. I have witnessed leadership teams recalibrate supply chains within weeks to stay afloat in business. I have watched accelerated capital allocations in AI being reconsidered within days, despite poor internal capability readiness. However, what I also saw was that in each of these situations, the differentiator was not intelligence, experience or even strategy. It was leadership composure. The emotional state of the CEO did not remain confined to the corner office. It travelled through tone, through decisions made, through email wordings, through meeting cadence, into the organisation's bloodstream. When the CEO was calm, the organisation was able to cross the problem hurdle, smoothly. When the CEO was reactive, the organisation panicked and tripped over. In the VUCAD era emotional regulation is no longer a personal virtue. It is a strategic leadership capability.

### **Volatility is permanent. Emotional stability must be intentional.**

Today, the ship of predictable business cycles has already sailed. Seemingly never to return to shore. Leaders have to navigate their ships in the climate of normalized continuous disruption. Geopolitical realignments are affecting supply chains. AI is altering business models at such a galloping pace that governance structures is struggling to catch up. Regulatory scrutiny is increasingly becoming like a magnifying glass and social media has collapsed the time between critically thought decisions and public judgment. Under such conditions, uncertainty is not episodic—it is structural. Yet, many of us possibly assume that business 'decision-making' is being crafted by rational, detached decision-makers operating in insulated ivory towers. But, the reality is quite the opposite. Executive decisions are being made under emotional load, exacerbated by pinning pressure from investors, pervasive anxiety among employees, exigent urgency from customers and stringent scrutiny from regulators. Like a pilot in this emotional storm, the CEO's emotional fortitude becomes the organisation's stabilising force that prevents the spread of organizational panic.

When leaders demonstrate emotional steadiness, strategy discussions remain clinically analytical rather than defensive, disagreements remain healthily constructive rather than political moves on the organizational chessboard and various risk assessments are led by contextual calibration rather than driven by ambient fear. Conversely, when leaders display visible agitation as manifested by impatience in meetings, erratic vacillations, sudden rescissions of decisions and public reprimands—the organisation internalises instability. Middle managers' over-calibration stifles the organizational momentum, teams hesitate and consequently suffer decisional timidity, innovation slows causing structural inertia and the atrophy of the innovative spirit.

The hard truth of today is that market turbulence is an immutable fact of modern business which cannot be eliminated. Emotional volatility, however, can be regulated. Disruption is the new, hard reality. Response is the differentiator. Therefore, today's modern CEO must master the dual disciplines of business acumen as well as emotional containment, ensuring they serve as the sheet anchor of organizational stability rather than the amplifier of organizational stress.

### **The cascading effect: How leader's emotions shape organisational behaviour.**

In our consulting assignments across manufacturing, EPC, BFSI, auto, aviation and digital enterprises, I have seen one consistent pattern. That, emotional tone cascades downward with astonishing velocity. If the top brass of the organization operates in fear of censure, the next layer operates in risk aversion. Executive anxiety leads directly to managerial

stagnation. If senior leaders react sharply to setbacks and failures, middle managers hide bad news. An explosive reaction at the top level guarantees a culture of silence in the ranks. When contrary views provoke leadership annoyance, creative problem-solving is effectively stifled. When challenge becomes a chore, progress becomes a secret. Ergo, emotional regulation at the top is not a personal matter. It is a critical systemic safeguard.

*Let's consider these three recurring scenarios:*

#### **1. Crisis communication**

When organizations are under the weather of operational disruptions, employees do not merely listen to the CEO's words. They read more. They read facial expressions, body language, voice modulation, postures, gestures and the like. An articulation of facts that is backed by composure, reassures. A defensive over-explanation raises suspicion and visible frustration magnifies institutional uncertainty. Steadfast executive poise is therefore directly co-related to organizational confidence.

#### **2. Strategic reversals**

Given the volatility in today's business environment, strategic realignments are an absolute necessity. Business model transformations are unavoidable. Those leaders who can acknowledge recalibration without being defensive, signal leadership maturity whereas those who frame reversals as blame-shifting exercises erode organizational trust.

#### **3. Performance Conversations**

When performance gaps are addressed with composure tempered communication, accountability strengthens. When the same is addressed with anger or

sarcasm, psychological safety sinks. Unconsciously, organizations model the emotional behaviour of their leaders. If the CEO handles adversity with emotional restraint, the organisation builds adaptive capacity. However, if the CEO escalates emotionally, the organization crumbles under pressure. Emotional regulation is not a concession. It is a governance guardrail.

### **Emotional regulation and decision quality**

The argument for leadership composure is not tactical—it is strategic. There is abundant evidence in neuroscience and behavioural economics which shows that heightened emotional arousal narrows cognitive bandwidth. When under duress or stress, leaders gravitate towards riding the curve of short-term certainty rather than the curve of long-term optimisation. Both, risk assessment and risk perception become distorted. Confirmation bias deepens. In the applied context, this manifests as, over-correction in capital allocation potentially destabilizing long-term strategic growth, abrupt leadership reshuffles leading to organization turbulence, excessive cost-cutting during temporary downturns that erodes organizational muscle, defensive acquisitions adversely impacting the balance sheet and public communication blunders.

On the other hand, emotional regulation restores cognitive breadth. It allows leaders to distinguish between noise and signal that replaces reactive impulses with intentional strategy. It separates ego from enterprise thereby ensuring the superiority of objectivity over pride. It enables robust risk evaluation without catastrophising the consequences. It also allows the leaders to engage dissent without perceiving it as disloyalty.

The highest-performing CEOs have been observed to share a common trait: they create psychological distance between stimulus and response. They do not abruptly react, they respond. They pause before pronouncing and ask clarifying questions before responding. Masterfully, they restrain their emotions without suppressing authenticity. Effective regulation of emotions is not about suppression of emotions. It is about emotional mastery. In an increasingly AI-augmented world where data is characterised by abundance and speed, the scarce asset is judgment. This judgment is an airplane of human quality that sees downdraft in emotional turbulence.

### **Building institutional composure: from individual trait to leadership system**

A pertinent question one may ask is: If emotional regulation is so critical then why is it so rarely developed systematically? Historically, organisations have equated leadership development with strategy workshops, financial acumen development and market expansion/share capability development. The prejudiced focus has mostly been on left-brain development, not the right brain. Emotional discipline has been treated as something innate—either one “has it” or does not. This assumption is flawed. Composure can be cultivated through structured mechanisms like:

#### **1. Self-awareness mechanisms**

Structured feedback and executive coaching that works on emotional triggers and behaviours.

#### **2. Decision making mechanisms**

Instituting formal pause mechanisms before major decisions or

announcements. Encouraging devil’s advocacy in board-room discussions and embedding structured dissent.

#### **3. Role-modelling mechanisms**

The leadership, making their emotional recalibration processes—acknowledging uncertainty without projecting anxiety, visible to the organization.

#### **Democratizing the development**

Today, the question, whether leaders are intelligent enough to handle the climatic complexity, is a wrong question to ask. The right question is whether they are emotionally regulated enough to navigate and lead through it. And emotional regulation cannot remain confined to the C-suite only. As the middle and the front-line leaders are responsible for execution, their emotional regulation must be developed with strong intent so that they can hold pressure at the operational levels. Further, today’s middle managers are tomorrow’s CEOs. So, their development is actually akin to building emotional maturity into succession planning. Institutional composure is built only when emotional steadiness becomes a cultural expectation rather than an individual aspiration.

#### **The strategic imperative for India Inc.**

India’s is on a high growth trajectory which is characterized by infrastructure expansion, manufacturing scale-up, digital transformation and global market integration. Our enterprises are becoming larger, more global and more scrutinised. AI adoption is now a wild-fire. Hereon, the leadership intensity will only increase. In this kind of an environment, charisma alone

will not suffice. Aggression won’t sustain. Brilliance will not compensate for emotional instability. This demands leaders who can manage velocity without losing equilibrium. Ultimately, it is the CEO’s composure that will determine the speed at which organisations absorb shocks, the trust investors place in long-term commitments, the loyalty and commitment of talent to engage openly and the confidence with which boards navigate uncertainty.

Emotional regulation is not peripheral to leadership performance. It is foundational to it.

#### **Conclusion**

As we look toward the next decade of enterprise leadership, my personal take is that we elevate emotional regulation from a “soft skill” to a board-level discussion. The board’s evaluation of leadership must be on responses pertaining to pressure management, dissent management and crisis management. It must definitely extend beyond financial outcomes to behavioural stability under stress.

For CEOs reading this, the imperative is both personal and institutional. Invest in developing your emotional discipline. Model composure in a visible manner. Embed emotional regulation practices into leadership systems. Develop your middle managers to absorb operational stress without cascading it. The future won’t not be less volatile, it will be more. In such a world, the composed leader will not merely survive disruption. Rather, they will define it.

Composure under fire is no longer applaudable. It is actually indispensable.