

New external hire CEOs prove creative and resourceful amid COVID-19

Highlights from a recent digital gathering with new externally hired CEOs, hosted by Egon Zehnder

New externally hired Chief Executive Officers (CEOs) are facing a different type of honeymoon period as they take over at the top during the COVID-19 crisis and attempt to engage with a management team they have yet to meet in person and strike a balance between performance and compassion, they told Egon Zehnder in recent digital gatherings.

One major challenge for these new CEOs is how to get to know their teams, when they mostly haven't met in person yet. One shares that he has never set foot in the office and is currently stranded 6,000 miles from a large number of his employees. Another one has met 30 employees in person and only a few of the 25,000 employees on his computer screen.

Communicating virtually makes it tough for CEOs to pick up on team dynamics and culture. As one says, "I don't have any psychological reference points for the various leaders. I was hoping I could quickly form some small leadership group to accompany me in the transformation I need to deliver here, and instead I'm stuck with what I received. There is a feeling of solitude sometimes: you don't have the alliance behind you to help you move mountains."

So near, yet so far

To counter the lack of personal contact, CEOs are including personal information about themselves in video messages, blogs, and LinkedIn posts, aware that a constant flow of communication will support morale.

One leader asks for individual video calls with his employees and encourages them to open up, saying “you will really do the company a huge favor if you’re as candid as you can be”. Another executive is even taking long walks to discuss matters with individual board members before she takes over as CEO, thereby falling in line with COVID-19 allowances to meet up with one other person, jesting, “I’ll be very fit within a couple of months if I keep this up but I’m not sure it will be very good preparation!”

On the plus side, working remotely automatically dissolves hierarchy, says one CEO. “Everyone has a rectangular space on the screen that is equal in size and that takes so much away from me being the boss.” It’s refreshing to meet people in a way that was inconceivable before and changes the existing culture.

Moreover, being in a virtual environment has led to a situation where leaders have to ask lots of questions, says another. “I’m probably more aware of the risk of making assumptions so I’m trying to ask other people’s perspectives on things. This environment is forcing me not to jump to conclusions.”

Less formal, more human

Others find that taking the time to foster one-to-one relationships via video conferences is still appreciated, and that letting down their guard, being vulnerable and showing their authentic side can help build up both connections and trust. In the same way, the more you learn about what’s happening in your employees’ homes, the better you understand them, adds one CEO. “The more you put yourself out there with your humanity and show your emotional intelligence, the more you will be able to touch others.”

In general, people are forgiving of new CEOs joining in such challenging and unusual circumstances. Making an effort, while being prepared to make mistakes and possibly fail while showing your human side, will “ultimately win some plaudits from your teams and stand you in better stead than the inevitable royal visit aspect of the CEO doing the rounds”, says one.

Lead from the outset

Humanity is a vital quality in leaders but it's equally important for CEOs to take charge and let their employees know that they are being led from the start. This provides them with reassurance in such uncertain times, adds another. "Having a new figure coming in adds a layer of uncertainty, when people are already feeling uncertain. The worst thing you can do coming in as a new CEO is to not accept reality. You've got to run the business as if you were still running operations face-to-face."

A new CEO is always going to be in the spotlight, but right now every action is being magnified, adds another executive. "There is a huge amount of anticipation about what I'm going to be doing. I'm emphasizing the word evolution, not revolution, to employees, as there is a lot of uncertainty about jobs. If they sense a revolution is coming, people are going to really get scared."

Balancing polarities

It can be a challenge for CEOs to balance performance with care. On the one hand they need people at work, on the other hand, they need to show empathy about peoples' fear of returning to the office. "I have a limo pick me up from home but 99.9% of people will be using public transport and are understandably scared about that right now," points out one new leader.

Leaders also need to reconcile bringing employees back to the office with the additional challenges brought by meeting demanding health and safety measures. This is particularly pressing in the case of one CEO, who is currently facing high demand. "The wrinkle that we're dealing with is that we're starting to have demand, higher than last year even in some markets, but getting people back to work is proving to be a challenge."

One CEO additionally needs to strike a balance between a growing trend for remote working and an industry that is still clinging on to traditional working patterns. "Our trading industry always said that we need traders together in one room to be able to talk to each other. It's amazing though because we switched from one modus operandi to another between Friday and Monday and we didn't meet a single issue. After this, we're going to be forced to allow a certain degree of home office, but many leaders will want to go back to the old ways, with employees saying the opposite."

Never waste a crisis

There is a lot of reflection among CEOs about how to leverage positive aspects of the crisis. As they're not able to travel, leaders ironically have more time to reach out to their team, albeit via technology. And being out of the office, gives CEOs more time to think about the bigger picture. "I've worked on investing time understanding products, technology, and understand some of the group dynamics. I've also gone much deeper into our revenue, looking at who are our customers, what's in our pipeline, and how we're going to deliver it."

COVID-19 is also an opportunity for leaders to prove themselves. Those who are able to solve issues in today's volatile environment will win respect more easily, which will create the momentum to move onto tougher, more complicated challenges in the future.

Moreover, there is less attachment to the past right now and to how things have been done previously, says one CEO. "COVID-19 has forced the board and the chair to 'hand over the baby' and that has facilitated the transition. They're passing on the baton more quickly when it comes to decision-making and are having to trust me far faster."

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Covid-19 Micro-Website

We have launched a micro-website where this and other informative pieces are posted. This site will be regularly updated: [click here](#) for further details.

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