

## CEO reset thinking

*Raj Kumar Paramanathan, IRC Malaysia & Thailand (CnetG Asia) | Nov 19, 2020*

**CnetG Asia and IRC Global Executive Search Partners organised a luncheon themed "CEO reset thinking: Navigating challenges and opportunities in 2020". Here are some insights from this session...**

By the end of the second week of October 2020, daily Covid-19 cases in the United States hit a stark 70,000 a day while daily cases in Europe doubled to 140,000, the highest since the epidemic hit the globe in February 2020.

The on-going pandemic, which has disrupted businesses and economies, has sparked questions on what lies beyond 2020. No crystal ball or history book could offer foresight or lessons to rewriting the management playbook.

Raj Kumar Paramanathan, Managing Partner of CnetG Asia, an executive search and recruitment advisory firm, hosted a CEO Luncheon on October 7th, 2020 with an executive briefing on global trends for eight CEOs, and discussed the key challenges and opportunities that continue to emerge.



One fact that was evident was that the pandemic had no equivalent in recent history, although delegates did find parallels in the Spanish Flu and SARS epidemics. This was indeed a black swan event, as no reference books have readily provided guidance on best business strategies and leadership approaches that would work.

The luncheon opened up discussions drawn from personal experiences on navigating the challenges posed by the recent lockdown and thereafter.

### **Authentic & Courageous Leadership**

Since the pandemic has hit every business, CEOs of every stripe immediately realised that it was important to build an environment of trust and relationship with employees. The lockdown, which accelerated the adoption of remote-working, also challenged traditional leadership models.

On the minds of the CEOs were the anxiety and uncertainty of direction and job security that many individuals were experiencing. The roles of the CEOs changed as they mobilised teams and resources and facilitated new competencies in a virtual work environment.

Open, transparent and frequent communication has not only helped to calm anxiety among employees but also motivated unparalleled participation by all pockets of employees to sail through the challenges together with the leadership team.



## **Mental Health & Wellness**

The effects of the lockdown and transition to work from home have resulted in new triggers such as stress and depression. More CEOs have placed a focus on mental health and employee wellness than ever before. Fortunately, most multinational companies had policies and employee assistance practices in place to help distressed employees to get back on track.

CEOs also agreed that the pandemic hit women the hardest, as they carried the heavier load of household responsibilities and keeping the family together amid the burden of the lockdown. This has demanded a lot more empathy and support from managers and colleagues.

## **ESG, Sustainability & Impact Investing**

More boards and CEOs expressed intent to increase activities centring on ESG, sustainability and impact investing. The future is all about good business. In the word of Klaus Schwab, founder and executive chairman of the World Economic Forum, the pandemic has called for a great reset of capitalism, one that will result in how companies will look at the impact on all aspects of societies and economies, including the social contract, education and working conditions. The letter sent by Larry Fink, CEO of

BlackRock, to CEOs of portfolio companies epitomises the appetite of global asset managers for impact investing to promote long-term value, to increase activities centring on ESG, sustainability and impact investing.

### **Diversity, Equity & Inclusion**

CEOs must embrace diversity, equity and inclusion, the cornerstone of the new talent landscape. Gender, multi-generation, differently-abled and LGBT communities are the facets of workforce diversity that CEOs need to navigate for greater business performance. Just as companies are getting a grip on striking the balance that gives equal importance and opportunities to these different groups, they are now getting ready to welcome Zillennials into the workforce. The evolving multi-generational workforce will accelerate the adoption of digital technologies, better work-life balance practices, focus on employee wellness and accelerated and integrated development plans.

### **Rise of Gig Workers & Interim Managers**

The new decade also welcomed the emergence of individuals who prefer to be self-employed and work on short-term gigs or contracts. These independent contractors prefer the flexibility of managing their own time and the type of work they do. The rise of gig workers provides opportunities to employers to outsource non-core or ad-hoc tasks.



This is also an opportunity for Interim Managers, mostly senior leaders who opted out of the corporate world or reached retirement, on the other hand, to offer short-term professional management support to organisations. Interim Managers are commonly engaged for mission-critical roles or to manage a period of transition, crisis or change in an organisation, be it digital transformation or implementation of new technologies.

## **Demand for Digital Capabilities & Cybersecurity**

As the whole world scrambled and transitioned into remote-working and serving customers through various digital platforms almost instantaneously, there is also rising concern over cybersecurity. Companies developed tighter remote security policies, beefed up IT infrastructure and installed security features to allow seamless exchange of ideas, data and information, and blocking system breaches. There is now a growing demand for cloud-based services and other technology products that provide seamless connectivity for remote working.

An MIT Sloan Management Review report titled 'The Digital Capabilities Your Company Needs', points to 'skills gap' as the greatest hindrance to developing digital capabilities among enterprises. In today's explosive digital universe, the need to train talents is amplified by the pressures of AI and Big Data. Increased adoption of technology also drives the demand for integrating and unifying digital capabilities so that data is centrally available for process optimisation.

## **Innovation & Automation**

The past eight months also saw an increase in patent and trademark applications as well as investments in digital technologies and automation. From contact-free devices for hotel check-in to robotics and startups, technology companies and businesses are spearheading new innovation and business ideas that would address problems and challenges faced by enterprises and societies.



Tightening of labour laws that restrict the hiring of foreign labour and the introduction of a minimum wage system will force businesses to reimagine the future of work to increase efficiencies and productivity while protecting profit margins.

### **Beyond 2020 - Embracing Continued Economic Turbulence**

The CEOs did not envision a full recovery at least until the end of 2021. The perpetual trade war between the US and China is bound to disrupt the global supply chain and operations. It is necessary for CEOs not to take their eyes off the ball while juggling with the newer challenges.

A reset in their thinking is, therefore, necessary to manage the "nows" while planning for the future.