

Opinion **Leadership**

Beware: new chief executives are getting ready for their close-up

Their videos may be cheesy but it pays for them to appeal direct to stakeholders

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Charlie Nunn started his tenure at Lloyds with a 'Meeting Charlie Nunn' video © Lloyds Banking Group

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Advertisements for banks make me grind my teeth. Their glossy promises of trusted partnerships with clients, long-term stewardship of funds, and support for smiling small-businessfolk are too flagrantly at odds with sagas of ill-fated expansion, mis-selling, and state-subsidised rescue.

Lloyds' emblematic [black horse](#) galloping majestically through British history or countryside is a bruxist's nightmare. In the years after the financial crisis, a more accurate equestrian image for the UK retail bank would have been that [desperate rider](#) struggling to control her terrified steed in the modern pentathlon at the Tokyo Olympics.

António Horta-Osório, who joined from Santander UK, took the reins in 2011. [The task nearly floored him](#), but he eventually mastered it. With his departure to Credit Suisse, Lloyds has a new rider, and another outsider, [Charlie Nunn](#) from HSBC.

When I learnt he had started his tenure with a [“Meeting Charlie Nunn”](#) video, I sterilised my dental guard in readiness. But, cynic though I am, I think it is a clever piece of work. A new addition to studies comparing the performance of internally and externally hired chief executives seems to confirm he has hit the target.

We open on a tieless Nunn preparing for his interview in a smart (but not too smart) home-office. We watch him cheerfully failing to unmute while on a work videocall. We hear of his devotion to family and how he became “very passionate” about financial services. We see him at his favourite hobbies, oiling his bike-chain in camouflage cargo-shorts and leaving his smart (but not too smart) home for a jog along a leafy path. There is an inevitable nod to the bank’s purpose, culture, board and customers. And cut.

I only have others’ word that the film depicts the “authentic” Charlie Nunn. Certainly it would be foolish of Lloyds to portray him as a modest-living, modestly athletic type, rather like the bank’s many domestic customers, if he is in fact a high-rolling couch-potato. That is not the point, though.

“I’m not starting afresh; I’m picking up the baton” from Horta-Osório, reassures Nunn in an [accompanying day one message](#). But the film underlines the differences, too. “AHO”, as he is known, led in a more autocratic style, rarely seen at work in anything other than suit and tie. His origin story was not a fluffed videocall, but a (possibly apocryphal) tale of how he had to bang on the locked door of Lloyds’ headquarters at dawn on his first day, so eager was he to get to work solving the bank’s problems.

Nunn also deliberately appeals to all the bank’s stakeholders, from customers to communities. No real surprise there. In [her first-day speech to staff](#) in 2019, Alison Rose, chief executive of rival NatWest, did the same. As a NatWest lifer, though, she ought to receive an easier ride.

[Various studies](#) have suggested companies that appoint chief executives from outside tend to underperform in the long-term. New research takes this further. Outsiders are further handicapped if stakeholders such as disgruntled employees, unimpressed analysts and sceptical media take against the new chief, it found. “Newly appointed CEOs should consider tactics for offsetting negative sentiment before it escalates,” Thomas Keil of Zurich university, Bocconi’s Dovev Lavie and Stevo Pavićević of Frankfurt School of Finance and Management advise in [the](#)

Their analysis covers US appointments from 2001 to 2014, but the Lloyds film is part of a genre of ever-glossier CEO-prop that has taken off since then. The polished website Microsoft created to introduce Satya Nadella as its new leader in 2014 was one trigger. I [mocked it at the time](#), but one colleague wisely remarked that, having seen it, every new chief executive would want one.

Sure enough, as the tools of corporate storytelling have become easier to use, and the opportunities to circumvent curmudgeonly columnists more numerous, CEO movies have started to pop up everywhere. Amanda Blanc shared with staff a video of her first day as chief executive at insurer Aviva. Ralph Hamers published his [straight-to-camera reflections](#) for employees on LinkedIn after taking over at UBS. Lockdown has forced even recalcitrant managers to hone their video presentation skills.

There was a Covid-induced lull in transitions at the top in the second half of 2020. But Spencer Stuart and Bain have found that appointments of S&P 500 chief executives started returning to pre-pandemic levels in the first half of this year. Just over a fifth of them were hired from outside the company. Of course, the real proof of any chief executive's contribution only comes much later. In the meantime, though, prepare for a renewed push to please suspicious stakeholders. Roll camera! And call your dentist.

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