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How to give a new executive the best possible start

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Some years ago Kees van der Graaf, one of the authors of this article, was promoted to lead Unilever's food division, succeeding the man who'd just been appointed CEO. He was thrilled that his achievements merited rising two levels in Unilever's hierarchy to head its largest unit. News of his appointment was made public immediately, in accordance with British and American exchange regulations. That morning a meeting was scheduled to introduce Van der Graaf to his new management team. Just before it started, he got a call informing him that the incoming CEO was tied up in press interviews and would not be there to introduce him.

When Van der Graaf walked into the room, his new direct reports were clotted in groups and involved in heated debate. He received stunned looks and ice-cold acknowledgments. None of the people there had known before that morning's announcement that he'd been the one selected. They were astonished by what seemed an unlikely pick. Van der Graaf was not a member of the food division's leadership team or of any other division's leadership team. In fact, until that day he'd been one of their subordinates.

As Van der Graaf and his new direct reports took their seats, he realized that they were all sitting as far away from him as possible. They were closing ranks, isolating him to show their strength. He had become Public Enemy Number One.

The appointment of a new leader is a defining moment for an organization. Leaders find transitions into new roles the most challenging times in their professional lives, when they either build credibility and create momentum or stumble and sow doubts about their effectiveness. Much consideration has therefore been given to how leaders should take charge in their early days. But far too little attention has been paid to how the organization should set them up for success as they enter their new roles.

It's easy to see why. In making leadership appointments, companies invest most of their time, energy, and attention in choosing the right person for the job. Only secondarily (if at all) do decision makers consider what message the appointment will send (or should send) to the organization and how it will affect those passed over and those who must now work with the new boss. But failure to announce appointments in the right way can undo all the work that went into the selection and hobble even the strongest leader from the start.

What's Everyone Thinking?

Understanding that a transition can set off an emotional storm is the first step toward effectively managing the process. Prior to an appointment, many people in the organization think they know who will be selected. If their expectations pan out, getting the new executive started is relatively straightforward: It consists primarily of confirming that he



or she will pick up where the old leader left off, by establishing goals and putting an implementation plan in place.

But when someone as unexpected as Van der Graaf is appointed, the surprise creates dissonance. Some of the people on whom the new leader will depend most may feel that he or she hasn't earned the right to lead or, worse, has somehow stolen the post from a more deserving candidate. Then any small, early misstep becomes "proof" of a poor choice, further undermining the new leader.

At the same time, those who were passed over worry, understandably, about the implications for their careers, prompting thoughts of moving on. A badly orchestrated appointment increases the odds that the organization will hemorrhage valuable talent, because the most capable executives are the most likely to be wooed away.

What to do, then? Responsibility for making appointments in the right way rests with the leader who made the selection, his or her HR partner, and the communications, investor relations, and legal professionals who advise them. This "appointment team" must devise good answers to four fundamental questions: (1) What message is this appointment

meant to convey? (2) Why is this person the right one for the job? (3) Which members of the organization need to be informed? (4) What should they be told and when? The first two questions are linked, and so are the second two, so we consider them in pairs.

The Message and the Messenger

A clear explanation of why an appointment was made and why the chosen person is right for the job will go a long way toward countering doubts or conspiracy theories and setting the new leader up for success. The goal isn't necessarily to keep things on an even keel and make everyone happy. When an organization wants to initiate a turnaround, open new areas for growth, or pick up the pace in executing the current strategy, a surprising or even shocking appointment can create an appropriate sense of urgency and thrust things forward.

Consider the case of Malcolm Currie, a past CEO and chairman of Hughes Aircraft Company. As Currie neared mandatory retirement, in the early 1990s, Hughes was an engineering-driven, defense-focused company. It had a history of promoting top engineers and scientists, and employees were abuzz about who would be Currie's successor. Several Hughes

Advice for New Leaders

An organization has an obligation to position its new leaders for success. But if you're a new appointee, you should take steps to prepare yourself—emotionally and personally as well as professionally. Between your acceptance of the position and your start date, take time to:

1

Reflect on what this new role means in terms of how you see yourself. How will this job connect to your personal values and wider interests? What, exactly, do you want from it? How can you shape your responsibilities to align with your values and interests?

2

Manage your own expectations. Increased responsibilities will require you to make trade-offs in allocating your time and energy. Think in advance about what matters to you, what you're prepared to do, and what you're not.

3

Consider what this means for your family. Have an honest conversation about what they expect well before you start. Attempts to justify unwelcome surprises by pointing out the increase in your prestige, opportunity, or salary will only heighten your loved ones' perception that you're benefiting at their expense.

4

Expect conflict, both professional and personal. Just because you don't foresee any conflict in the new role doesn't mean that others won't. Plan the time for candid conversations both at home and at work.

5

Engage in periodic assessments and offer (or negotiate) adjustments if necessary. It's easy to get trapped in a hamster wheel of doing, doing, doing. But to learn and develop, you must set aside time to reflect on what's going well and what isn't. Some top leaders block off two hours every week to do this.

Idea in Brief

The appointment of a new leader is a defining moment for an organization, sending a powerful message about where it intends to go. But unless attention is given to how the new leader is introduced into the organization, that message may be lost and the new leader hobbled even before day one.

A well-crafted appointment process must devise and communicate clear answers to four fundamental questions:

1. What message is this appointment meant to convey?
2. Why is this person the right one for the job?
3. Which members of the organization need to be informed?
4. What should they be told and when?

executives with science backgrounds, one of them a former air force general, were seen as contenders.

But shrinking defense budgets and commercial missteps had led to declining growth, and the board was looking for more than someone to simply carry on. In February 1992 it selected C. Michael Armstrong, then the number three executive at IBM, for the job. Neither an insider nor a scientist, Armstrong had a track record of success in marketing and sales throughout Europe, the Middle East, and Africa.

Predictably, the appointment sent shock waves throughout the organization. Rumors spread that the “C” in Armstrong’s name stood for “chain saw.” Employees feared that this outsider wouldn’t understand or appreciate the Hughes way. His appointment was meant to signal that business as usual couldn’t continue at Hughes—but not that everything Hughes stood for and everyone who worked there would be swept away.

Accordingly, in a public statement made on the day of the announcement and duly recorded in the *Los Angeles Times*, Currie himself presented the rationale for Armstrong’s appointment, pitching it as an acceleration of his own ongoing strategy rather than a radical departure from Hughes’s government-contracting past. He reminded his audience that his strategy was to turn Hughes into a balanced high-tech company by the end of the decade, shifting its revenue base so that 50% of its business came from nondefense work—up from just 15% previously. This statement of purpose was as strong as it could be. It described a specific strategy, clearly related it to the familiar way of doing things, laid out a definition of success, and presented a timetable for achieving it.

Then Currie turned to why Armstrong was the right person for the job. The *Times* reported: “Currie said Hughes has significant commercial opportunities, but capturing them will require a new emphasis on marketing, a financial restructuring and an

improvement of business skills—all of which were ingredients that led to Armstrong’s selection.” By saying “Mike comes along at an extremely opportune moment in the corporation’s history,” Currie positioned Armstrong within the tradition of the company and as a force for constructive change.

The announcement was also notable for what Currie did not say: How Armstrong might choose to reach the stated goals. Armstrong, too, kept his options open. At a press conference on the day of the announcement he praised Hughes’s technological abilities, declined to specify what changes he had in mind, and said he would begin by visiting as many company plants and customers as possible. In this both Currie and Armstrong were wise. To ensure that the intended signals are sent, senior leaders must strike the right balance between being clear about what the new executive has been appointed to do and leaving him or her flexibility to do it. Oftentimes what needs to be done is not obvious. Sometimes valid disagreements must be worked out after an appointment is made. When the anticipated scope of change is very large, decisions about how to implement it may best be left to the new leader.

Generally speaking, people will need to know more about the qualifications of an external hire like Armstrong than of an internal one. In particular, they should be told why seemingly unrelated experience from another industry may apply in their organization—why, for example, someone from the financial services industry will be able to lead a pharmaceutical company through the challenges presented by major regulatory changes.

But when a surprising selection is made from within the organization, it’s important to remember that people think they already know the candidate—that is, they think they know what disqualifies him or her for the position. (If it were otherwise, the choice wouldn’t be a surprise.) Many on Van

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der Graaf's new team, for instance, thought his career experience was insufficiently broad for the divisional CEO role. Unilever's senior leaders should have assumed that his accomplishments were not widely known and taken care to highlight them. As the business group president of the European ice cream and frozen food division, Van der Graaf had recently presided over an ambitious complexity-reduction program that set up a new supply chain and procurement system, centralized several support functions, streamlined the product offerings, and concentrated innovation in a single center in

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Rome. Both revenue and profits substantially increased, bringing him to the attention of senior management, but those results had been hidden from general view in the overall food division numbers.

One caveat: Using a surprising appointment to focus the organization on the need for change works only if that need is supported by the facts and viewed as legitimate. Justifying an unexpected selection by saying a turnaround is required when everyone knows it's really a political appointment of a business-as-usual successor is a sure formula for failure.

Who Should Know What When?

The planning for every major appointment must take into consideration the expectations and current state of knowledge of three distinct audiences: the leader's new unit, other employees in the company, and external stakeholders.

Everyone should be told the strategic rationale for the appointment and the appointee's qualifications. Beyond that, each group needs something a little different: Those passed over should be informed why they were not selected and what kind of future they have in the organization. Direct reports and other subordinates will want to know if this appointment signals a change for them. Peers and other

colleagues may wonder if they should expect to work with the appointee in a different way. External audiences should understand how the appointment aligns with the strategy and what the new leader is going to do to create business value.

In an ideal world, no one on the new leader's team would be surprised by the formal announcement. Expectations would have been shaped for months or even years, as part of a robust succession and employee development program. In that world, where company communication would routinely be open and honest, everyone would already know of a serious situation that required a strategic or operational shift—and of the heir apparent's qualifications. Would-be contenders would have long since tempered their aspirations and set their sights on opportunities for which they were better suited.

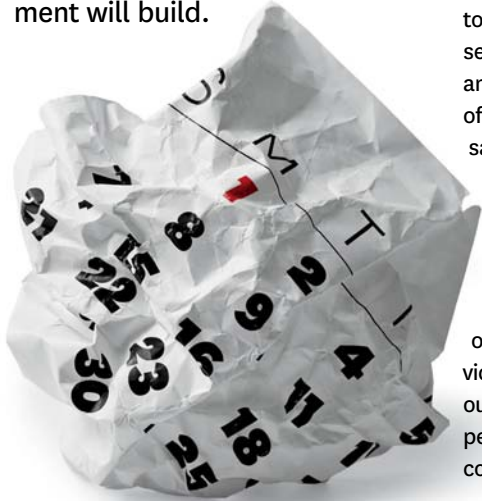
In a more realistic world, employees would at least have heard the rationale—first in a companywide communiqué and then through a series of small-group and individual meetings—before any public announcement was made. Direct reports would get a sense of the changes in the offing; peers and other colleagues could anticipate how they might work with the new person. Individual conversations could reassure valuable contenders that their talents and strengths were appreciated and that they remained on track for advancement and could give them a sense of when the next opening might arise. The appointment team in a privately held company can do exactly this so that no one is surprised or anxious when the public announcement is made.

But in publicly held companies like Unilever and Hughes, appointments that have the potential to affect the stock price must by law be announced both inside and outside the company as soon as the formal decision is reached. This can be tricky when the decision comes during a crisis or as a prelude to a strategic shift about which your employees should be told far more than your competitors. Because news of a senior appointment travels fast, leaders have very little time to shape the process.

In such a case, internal memos and external press releases are typically launched simultaneously on the day of the appointment to provide the high-level rationale, as happened at Hughes. In a well-designed announcement process, further information would be available internally through briefing papers or video and externally through media materials and interviews. These could be tailored to the needs of individual constituencies—as could follow-up, which

Recovering from Disaster

You've just been promoted, but rather than greeting you with enthusiasm, your direct reports are obviously hostile. You were clearly not the person they expected. You can take steps to fix the damage. First, don't wait. Time won't heal these wounds. Feelings have been hurt. Resentment will build.



As soon as is practical, call in your new team and explain in detail what happened. (Not everyone will know, for instance, that by law some announcements cannot be made internally in advance.) Do this with humility and empathy, demonstrating in your tone and manner that you understand how people are feeling. "Some of you are surprised by my appointment," you might say. "If I were in your shoes, I'd be too. Besides wondering why I hadn't been selected, I'd be thinking, 'Who is this guy, and how is he going to lead us?' How many of you are wondering and thinking the same things?" If no one has laid out your credentials, present them yourself, as if your team were interviewing you. By showing some vulnerability, you can begin to build credibility.

Then offer the members of the team an opportunity to share their concerns individually and confidentially with someone outside the group whom they all trust. That person will create a list of unattributed complaints and questions for a second,

extended group conversation, ideally to be held after work in a setting such as a quiet restaurant, where people can feel comfortable and unrushed.

Have the trusted person read the complaints and questions aloud to ensure that all team members have been heard. Acknowledge mistakes in the appointment process without being defensive or blaming others. Then respond to each question fully; ask for clarification if necessary (assuming that whoever raised the issue is willing to own it); and allow a deep conversation to emerge. Finally, invite additional questions. Be very open—this is your opportunity to give the team insight into your way of thinking, motives, and values as an individual. The hope is that everyone will come away from this gathering with a clear understanding of what happened and how you will begin to move forward together. The relationship building will take time, as the team watches you incorporate its feedback—interpersonal and strategic—into your actions.

might include investor calls, more media interviews, town hall meetings, individual or team meetings, and conference calls. The key is to be speedy and thorough. Nothing signals an organization's priorities more vividly than how quickly (or slowly) a particular group or individual is included in the process. You don't want valuable people walking out the door because you took too long to loop them in.

Following Through

A formal announcement is the end of the beginning—and, one hopes, not the beginning of the end. In the critical days following an appointment, senior leaders must continue to communicate the rationale for the appointment and signal their support in words and deeds. That support must be consistent, enthusiastic, credible, and authentic. (There are always people who look for signs of weakness in a story or hesitation in the speaker's body language.)

Assuming that all this goes well, responsibility for creating momentum then falls on the new leader. Armstrong named his top management team within days of his appointment, in one bold stroke eliminating uncertainty and the rumors, anxiety, and distractions that go with it. In a few short weeks he and his team reorganized the company to focus more

on customers than on projects and articulated clear goals for each business segment in service of the strategy Currie had laid out on that first day.

Armstrong thus demonstrated that he was well prepared for the role, having arrived with a plan to get up to speed quickly, clarify expectations, assess and reshape his teams, and identify and lay the groundwork for securing early results—a textbook example of the right approach to take in the first 90 days of a leadership transition.

And if an appointment has not gone well? Not all is necessarily lost. Van der Graaf took steps right away to get back on track with his team. (See the sidebar "Recovering from Disaster.") But a bad start leaves a new leader to clamber out of a hole and perhaps face unnecessary uphill battles. Too much is at stake to neglect the fundamentals of making appointments right. When you've taken so much care to select someone, make sure you give that person a good start. ♥

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