

FINDING A NEW CEO – RADICAL APPROACH TO A CHALLENGE MANY ORGANISATIONS FACE

The scenario

Mario, the CEO/Chairman of a Swiss company employing 6000 people around the world was planning his retirement. Having worked most of his life building a successful company of which he was justifiably proud, he placed great emphasis on finding the right person to replace him, someone who would not only ensure the continued success of the business but also preserve its culture and values.

Recruitment specialists were engaged to find his successor. Several candidates were put forward. Unfortunately, none of them was regarded as being right for the job.

I was at the time working with the company helping introduce new people performance enhancement strategies. During one of my discussions with Mario I asked him why he had found it necessary to go outside the company to find a successor. He responded by saying that he had considered a number of internal candidates who were directors or held senior posts in the company but again, none were felt to meet the requirements he and the HR director had set.

“Maybe the job is too demanding for a single person.” I suggested and asked how he had managed to do the job so successfully on his own. “Well that’s an interesting question.” He responded and went on to add, “The fact is that I appear to lead the company and make all of the key strategic decisions. In reality though I work very closely with Hans (The HR director) who can usually spot any shortcomings in what I plan to propose to the board. His experience, foresight and shrewdness complement my visionary and more entrepreneurial approach. If whatever I am considering or proposing meets the approval of Hans, albeit in modified form, getting the agreement of the board is usually a formality.”

This explanation helped to put things in perspective as it became clear why the search for a new CEO was proving to be so difficult. A person possessing the attributes of two people was

what they were really looking for. Clearly this was unlikely to be attainable so if we were to proceed with the current approach some compromises would clearly have to be made. Reflecting on this dilemma led me to consider an alternative approach, forming a Chief Executive Triumvirate. When I put this proposal to the CEO he agreed to consider it, without much enthusiasm or confidence I have to say.

The radical approach we adopted

Over a month or so we therefore set about putting the wheels in motion of the new approach.

Step One

The first step was to elicit precisely the role of the CEO or triumvirate. Over a few laborious sessions listing all of the key activities currently undertaken by Mario, plus a few additional things he felt that the CEO should do which he didn't currently undertake, just to make things even more difficult!

From this list of activities, we produced an eligibility criteria detailing the qualifications, experience and personal attributes required to succeed in the role. Reflecting on this daunting list confirmed the view that there was no possibility of finding all of these attributes in a single person. There was however a possibility of meeting our requirements via the forming of a Chief Executive Triumvirate (CET) and the search for the three people to form the CET began.

Step Two

Having clarified what we were looking for the next step was to draw up a shortlist of internal candidates to constitute the CET. We considered a number of current directors and senior managers. From these we whittled it down to three people, each a director of different divisions of the company.

1. The director of the Engineering Products division who had vast experience and was highly knowledgeable on precision engineering. He also had a very analytical mind and process oriented approach.
2. The director of Product Research and Development who had been responsible for a

lot of new initiatives, plus a few failures, it has to be said. He was a natural innovator and persuasive communicator who thrived on change.

3. The Global Business Development director who was highly regarded as a generator of new business. People were generally motivated working for him as he possessed a charismatic leadership style and gave others freedom and encouragement to develop and use their initiative.

Step Three

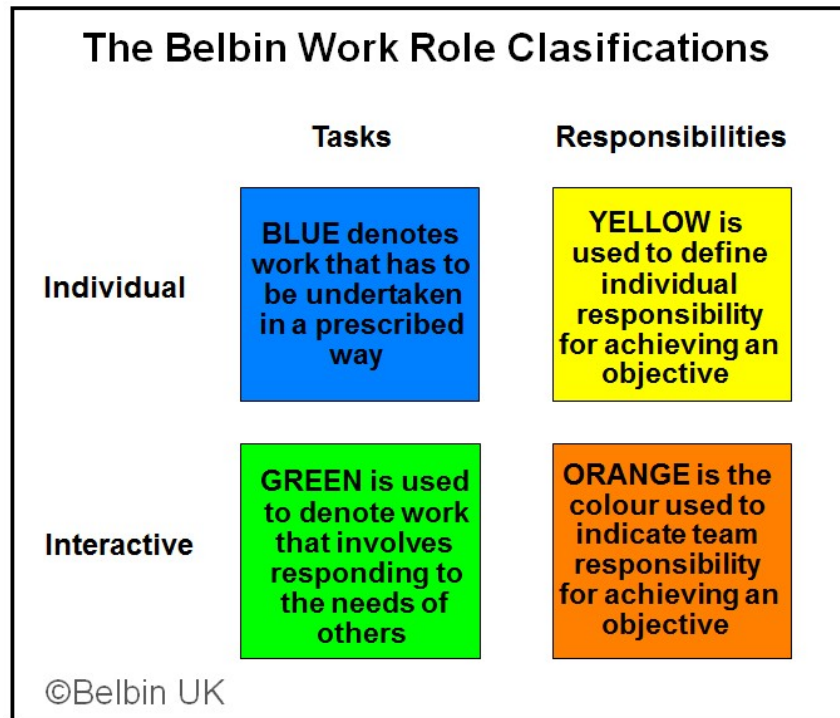
Having found what looked like the right combination of people the existing CEO and I briefed the three prospective members of the CET on what we were considering and obtained their approval and agreement to proceed with this arrangement. Frankly, I think all three of them were somewhat disappointed that they had not landed the prized job individually but they gradually warmed to the idea.

Over two days I acted as facilitator for the CET. They worked hard and intensely, but with good humour and enthusiasm, in clarifying their individual and collective roles and how they would draw on each other's attributes and experience.

This Belbin behavioural profiling system was used to raise understanding of the different natural work preferences of each person. We also considered where there might be difficult chemistry between the three of them. A strategy was then devised for managing this to ensure the synergistic benefits were accrued. Additionally, the balance of the team was analysed to identify any gaps and the possible shortcomings. Because the CET had been carefully selected to create a balance the gaps were quite minimal though. In fact, there were only two real issues we identified. One being the lack of someone with a meticulous eye for detail. The other being that none of the three members of the CET was particularly sensitive to the needs and feeling of others. These things we noted as something we would need to address as we looked in detail at the assigning of work among the CET members.

Having looked closely at the behavioural make-up of the team we then turned our attention to assigning work activities. For me this was the most fulfilling thing of our preparatory activities.

To support this process, we used the highly effective but little used Belbin Work Role¹ model I originally worked on developing with Dr Meredith Belbin. In essence this model breaks work activities down into four classifications:



By using this model, we were able to work through the activities list defining the colour classification for each and to whom they should be assigned, taking into account each person's areas of expertise and personal attributes.

For the items listed under the Yellow classification we applied an additional element when deciding to whom the work should be assigned. This involved doing a risk/complexity analysis to identify the items that needed to be assigned to the Orange (Team) classification rather than a single individual. For example, Devising and Implementing the Business Strategy was considered to be high in risk and complexity and, thus, assigned as Orange and became the collective and shared responsibility of the whole CET.

¹ The development of the Belbin Work Role model is described in great detail in the book *Changing the Way We Work* by Dr Meredith Belbin. It has now been replaced by the Delegation Master model.

It is worth recording that as part of the process how the absence of a person on the CET who possessed meticulous attention to detail was addressed. After some discussion, it was decided to assigning a number of Blue activities to a person outside the CET, the Company Secretary, who had the appropriate pre-disposition and relevant experience. The activities assigned included such things as preparing corporate financial statements and other similar tasks which although being mainly procedural, rather than complex, were of vital importance and essential for ensuring corporate compliance.

Over a period of a few months I sat in and, as anyone who knows me would expect, chipped in, as we refined and added to the work assignment process and while also developing their capability to work effectively as a team.

The conclusion

Yes, it was a radical approach and I recognise that it would not suit every organisation. I do advocate it as being worthy of consideration though as an alternative to relaying on a more traditional solo leadership style. The rationale being that a single person is unlikely possess all of the qualities required to meet the high demands of corporate strategic leadership.

We did discover another benefit of this approach too. The three members of the CET also continued to lead their respective divisions but the previously prevailing silo culture that existed between the three divisions was replaced by a more coherent culture of greater understanding and cooperation.

Author's Note. The above is based on a real case although it has been simplified by taking out some of the less important elements dealt with during the implementation of the approach to make it more concise and readable. The names of the people and company involved have been changed for obvious reasons. I have not sought similar protection for myself as I am sharing this experience with an awareness that you might wish to contact me to offer your comments and seek clarification on some of the details.

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