

The Importance of the Board in the Succession Process

By Marshall Goldsmith



Marshall Goldsmith is the *New York Times* best-selling author of 24 books including *What Got You Here Won't Get You There* – a *Wall Street Journal* #1 business book and Harold Longman Award Winner for Business Book of the Year. His newest book is

Succession: Are You Ready? – part of the Harvard Business Press 'Memo to the CEO' series. He is one of only a few executive advisors who have been asked to work with over 100 major CEOs and their management teams. Over 400 of his articles and videos are available online for no charge at www.MarshallGoldsmithLibrary.com.

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Knowing when to step aside and preparing the successor for your position can be two of a leader's greatest challenges. If you handle these challenges in the right way, it can mean that your successor enters the position to applause while you bow out gracefully.

Wrought with challenges, one of the most critical is your choice of successor. You may personally believe that a potential successor is perfect for the job and you may do a great job in coaching her so that she is ready for the job, but if the Board decides not to hire her, it won't matter.

In coaching your potential successor, it is critical that she establish positive Board relationships before the succession decision is made.

One of my potential CEO clients, 'lost it' in one meeting with the Board, got angry, tried to prove a Board member was wrong and succeeded in alienating several important people on the Board. This type of damage is hard to repair. A year later, when I interviewed Board members about this candidate, a couple of Board members brought up this event. Even though the candidate's behavior had been stellar for the past year, the event was 'stuck' in their minds and was seen as symbolic of the negative behavior of this executive.

As a coach it is important for you to thoroughly prepare your successor for Board meetings. It can be useful to have detailed discussions about the preferences, views and 'quirks' of each board member.

In other cases a potential successor may have fine relationships with the Board, but be sabotaged by peers. In one of my 'failure' coaching experiences, I tried to explain to peers how my job was to help a candidate achieve positive, lasting change in behavior – not only to improve his effectiveness in his current position, but to help him prepare for a potential promotion. It was clear that the peer group basically hated this person and had no desire to help him get promoted. In fact, a few made it clear that they would be much happier if they could help him get fired!

This person was eventually removed from serious consideration for the role of CEO. It became clear to the existing CEO and the Board that he had been 'written off' by many important peers and was never going to be given a fair opportunity by them – no matter what he did or how hard he tried.

My final example of a stakeholder 'veto' comes from a Chief Executive of the company's leading customer. In this case the CEO of the customer's organization felt that, years before, he had been insulted by the potential successor, who was, at the time, in a sales role. Although this event had happened years before, the customer CEO had never forgiven this candidate and still considered him to be a total jerk. The customer CEO also happened to be friends with a couple of members of the Board. Although this candidate may well have been qualified for the job – and had the support of his CEO and peers – he was not even considered for the position. Big customers count!

Before spending your time developing your successor, make a critical stakeholder assessment. Ask an important question, "Will this candidate be given a fair chance, not only by me, but also by the key stakeholders who are critical to her future success?"

If this answer is 'no' – and if you cannot change key stakeholder perceptions – look for another candidate. When critical stakeholders have 'written off' candidates, their succession possibilities may be over – no matter what you, or they, do to change behavior.

If it becomes obvious that Board members, or other key stakeholders have eventually 'vetoed' your favorite candidate – and that she is not going to get the job – your path is simple – start over! You, as the CEO, will need to 'let go' of your disappointment and do your best to support another potential candidate who can be approved by the Board.

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Linkage
Burlington, MA
781.402.5555
info@linkageinc.com