

# The CEO Advantage: Minimizing Executive Disruption when Instituting New Corporate Strategies

By Nancy MacKay, Ph.D

## CEO challenge

The head of a large global company had been in his position for about a year and had spent much of that time developing a new three-year business strategy to accelerate results. Included in the plan were proposed changes to the roles of his executives, intended to align the organization structure with the new strategy. He got approval for the changes from the board and was excited to share the news with each member of his team.

He didn't get the reaction he expected.

## CEO mistake

The CEO sat down over dinner to tell one of his direct reports about the new role that had been created for him. The CEO knew that alignment of roles with the new strategy was critical for business success, and he thought that meeting with each executive individually would ensure each one was clear on where he fit in.

The executive was stunned when the CEO described the new role and explained that the board had already approved it.

"I can't believe you did this without even asking me for my opinion," the executive stated. "This role sounds like a demotion and a step backward."

The direct report went on to tell the CEO that his behaviour was disempowering and that he wasn't the only one who felt that way.

"I need some time to think about this before I can commit to anything," he said.

Rattled, the CEO decided to hold off on his plans to speak with the rest of his team until the situation was resolved.

## CEO solution

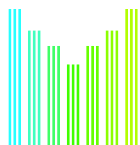
A change in role represents a significant disruption in expectations when there has not been an opportunity to participate in the development of the role or influence the decision.

If the change happens to match the executive's expectations, initial frustrations may quickly turn to satisfaction.

But if the role isn't in line with where the executive sees himself, the result could be anger, disappointment and a sense of being powerless and victimized.

To minimize disruption when making role changes, our CEO should have given each executive the chance to discuss the plans, express opinions and influence final decisions before getting board approval.

With some coaching, the CEO took the following steps.



He met with each of his executives, reviewing current roles and identifying desired outcomes in alignment with the new strategic plan.

Together, he and each direct report developed the new roles to fill any gaps. They then discussed options for each individual.

They could stay on the team and either thrive in the new role or develop an action plan toward developing the necessary skills and experience.

Alternatively, they could leave the team because the new role didn't fit their skills, behaviours, experience or career plans. One executive chose this option.

These discussions led to some revisions in the CEO's plan and he had to go back for board approval. However, the plan was even better, and the remaining direct reports were on board and enthusiastic. •

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