

# Shocks For New Leaders

“Seven Surprises for New CEO’s, “Harvard Business Review, Vol.82, No. 10, October 2004.

Shouldering complete responsibility for a firm's success or failure, but being unable to control most of what will determine it. Having more power than everyone else in the organization, but being unable to wield it without unhappy consequences. Occurs like a tough job? It is - ask any firm leader. Surprised? The firm leader’s job is more complicated and challenging than you might imagine.

Most new leaders are taken back by the unexpected and unfamiliar new roles, the time and information limitations, and the altered professional relationships they run up against. Here are the common surprises new leaders face, and here's how you can tell when adjustments are necessary. The following are taken from Harvard’s Michael Porter and his research on the difficulties new leaders face when taking over:

## Surprise One: You Can't Run the Firm

You find that you are only one person. Now that you landed the top job you find that you have to rely on others to run the firm for you. Creating buy-in and alignment with your people becomes most imperative.

Use Caution when:

- You are in too many meetings and involved in too many tactical discussions.
- There are too many days when you feel like you have lost control over your time.

## Surprise Two: Giving Orders Can Be Very Costly

Giving orders can trigger resentment and defensiveness in your team. Second guessing a senior executive / manager can demoralize and demotivate not only that person but others around him.

Watch out for these symptoms:

- You have become the bottleneck.
- Colleagues are overly inclined to consult you before they act.
- People start using your name to endorse things as, "Frank says..."

## Surprise Three: It's Hard to Know What's Really Going On

Even when leaders understand they cannot oversee every aspect of their firms, they often assume - falsely - that they will be able to learn everything they need to know.

How to tell:

- You keep hearing things that surprise you.
- You learn about events after the fact.
- You hear concerns and dissenting views through the grapevine rather than directly.

## Surprise Four: You Are Always Sending a Message

You are the most closely observed person in the organization. And people are more likely to follow your example than your word.

Things to notice:

- Employees circulate stories about your behavior that magnify or distort reality.
- People around you act in ways that indicate they're trying to anticipate your likes and dislikes.
- If you're late, they'll be late as well.

## Surprise Five: You Are Not the Boss

You find that you still have to report to your executive committee and you can't watch over everyone's shoulders all of the time.

Things to notice:

- You don't know where you stand with your executive committee members.
- Roles and responsibilities of the members and of management are not clear.
- The discussions in executive committee meetings are limited mostly to reporting results and management's decisions.

## **Surprise Six: Pleasing Partners Is Not the Goal**

Though profit per partner is important, the overall viability of the firm is most important.

Cautionary signs:

- Firm leadership judge actions only by their effect on profitability.
- Incentives are disproportionately tied to billable hours.
- Use caution deploying cost cutting measures that temporarily boost performance, but cause damage to the firm's long-term growth.

## **Surprise Seven: You Are Still Only Human**

The most powerful firm leaders expand the power of those around them.

Watch out for these symptoms:

- You give interviews about you rather than about the firm.
- Your lifestyle is more lavish or privileged than that of other partner in the firm.
- You have few if any activities not connected to the firm.