The Challenges of
General Manager Transitions

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There may be nothing more important to an organization's succession efforts than building a strong cadre of general managers. Yet making the transition to the general manager role is fraught with difficulty. It is at this point where many successful careers derail (McCall & Lombardo, 1983; Shipper & Dillard, 2000). According to the Corporate Leadership Council, turnover among newly hired executives within the first three years of taking a new job is as high as fifty percent (as cited in Sweeny, 1999). Arthur Freedman's previous chapter explained myriad psychological challenges involved in managerial promotions. We will use the "pathways-and-crossroads" framework he described in Chapter 2, as well as introduce some additional considerations to enrich the model. And whereas Freedman described how to apply the framework to transitions to the CEO level, we focus on the transition to the general manager role.

We define the general manager position as involving broad, overall responsibility for a line of business or set of functions. It is the first level of management where managers have to lead other managers without first-hand knowledge of their disciplines. In many organizations, it is the first step into the executive ranks from middle management. For every CEO transition, there are dozens of transitions at this level. And the importance of these general manager transitions is obvious: one of them is likely to be tomorrow's CEO.

Take the case of Phil, a brilliant aerospace engineer at a client organization. In just fifteen years after graduate school he had been rapidly promoted up through the technical ranks until he was a head of engineering at a large defense contractor. Two years ago he was promoted from a functional manager to vice president in charge of a new product line. But Phil was unable to make the leap from being a functional manager to a cross-functional leader at the general manager level. The product launch was a failure, and Phil's credibility in the company suffered. Within eighteen months, he had left to go back to an engineering job at a smaller company. The shame of it was that Phil's general manager career at the defense contractor didn't have to wind up as another derailment case. For one, he wasn't adequately prepared for the major transition. Further, he didn't have much support from his new boss, HR, his team, a

mentor, or even an outside coach as he made the move. And with a vague sense of what he had to let go of and add on to make the leap, he wasn't fully sure he even wanted the increase in scope and scale.

In this chapter, we delve into the specific case of new general managers, with a particular focus on what the organization (hiring managers, human resources, and talent management staff) can do to support them and maximize the success rate of these key managerial moves. We will highlight some ways that managing the transition is different for those promoted from within and external hires. Throughout, we draw upon examples and share lessons learned from organizations we've studied and consulted to on the design and execution of general manager transition plans over the last ten years.

The Value of General Managers

General managers are the lifeblood of any business. Up to this point in their careers, managers are often "manager/producers." They are promoted because of their technical knowledge and because they can coach and guide subordinates in the execution of their work. Functional managers can troubleshoot and solve problems as they arise, since they have often faced similar issues themselves in the past.

The general manager role is decidedly different. When placed in this role for the first time, managers are responsible for work they may have no expertise in, or even little appreciation for. For instance, in her role as director of marketing, our client Celeste had been frequently frustrated by the finance unit at budget time. She always felt they were too conservative and didn't understand how marketing drove the dynamics of the business. When Celeste was promoted to lead the business, the finance director now reported to her. She noted after her first year as a general manager that one of her biggest struggles was not only understanding enough about finance to make good decisions but also letting go of her old attitudes and appreciating the value and perspective that the unit brought.

It is precisely this ability to manage the unknown that distinguishes the general manager role and makes it so valuable to an organization. When you can no longer fall back on functional expertise, then you must rely on the true management and influence skills of working through people and processes to make good decisions, implement change, and get results. Competencies such as assessing and hiring the right talent, setting up monitoring and feedback systems, and building a high performing team become more important than any in-depth technical knowledge that you bring to the position (for more on unique executive competencies, see Martineau, Laskow, Moye, Phillips, this volume).

When an organization's leaders know they have a set of general managers that can fill a variety of positions, then they have real "bench strength." With bench strength, the organization is much better positioned to grow through acquisition, by launching new lines of business, or by reaching into new markets. The deliberate development and rotation of general managers is one of the most effective ways to transfer skills, best practices, and desired cultural norms across a dispersed and complex company. And of course, general managers are the primary source for senior executive talent.

Drying up of the Management Pipeline

Too many companies find their pipeline drying up at the general manager level, and discover that they need to hire from outside in order to fill gaps at higher levels. Ram Charan (2005) has noted that, due to a lack of programs dedicated to grooming managers for top positions, 37 percent of Fortune 1000 companies are run by external recruits. He cites a Corporate Leadership Council survey that found that almost half of companies who had hired members of their executive teams from outside reported that they did so because developing internal candidates would be either too expensive or too time-consuming. At the same time, overall demographic trends indicate that the demand for experienced managers and executives will only become more intense in the coming decades. In the United States, the demographic dip that followed the baby boom has resulted in a shortage of workers in their 30s and early 40s, the time when people are typically ready to make the turn to general manager. (The baby bust, or Generation X, is generally considered to be made up of people born from 1965 to 1975.) In the 1990s, the number of workers between the ages of 25 and 34 declined by 14 percent (Watson Wyatt, 2003). According to a study by the Bureau of Labor Statistics, when workers from the baby-boom generation begin to retire in the United States, it will create a gap of about ten million more jobs than there will be workers to fill them (cited in Frank, et al., 2004, p. 14).

At the same time, other studies indicate that older workers are likely to retire later in the coming decade to make up for stock market losses and the shift from defined benefit pensions (that guarantee a retirement income) to defined contribution retirement plans (that are dependent on personal saving rates and the vagaries of the market). An AARP study shows that more than 63 percent of workers over 50 plan to work at least part-time in retirement. However, only 10 percent expect to be working full-time at the same type of work that they are currently engaged in (AARP, 2003). Therefore, while there may be more older workers than ever in the workforce, we can expect that few will be in the same type of demanding management roles they now occupy. In fact, the same study reports that over half of those surveyed plan to work for enjoyment, not money. This gap will be felt especially acutely at the higher levels of organizations, as the leadership pipeline begins to run dry.

The General Manager Career Turn

Making the turn to general manager represents a substantial step up in leadership and accountability. One primary difference from the functional manager role is that the general manager typically has full end-to-end accountability for a good portion of the business, along with profit and loss (P&L) responsibility. For example, at one of our clients, general managers were each responsible for sales, marketing, and product development for their line of business, with full P&L responsibility. Finance and other support functions were managed by peers. In that same firm, however, we also considered the director of operations to be a general manager, even though he did not have P&L responsibility. He managed a disparate set of functions, including manufacturing plants and refineries, customer service, logistics, and purchasing. The

defining characteristic of the general manager role is oversight of multiple, unrelated functional units.

The pathways-and-crossroads model presents a useful way of conceptualizing management advancement, particularly reflecting how general manager roles differ from roles at other levels (See Figure 3.1). The crossroads are a series of turns, with each turn representing a discontinuous change in responsibility. Each crossroad (or turn) requires a different set of skills, work values, use of time, and time perspective (Charan, Drotter, & Noel, 2001; Freedman, 1998). The turn to the general manager role – going from managing a function to managing a business – is particularly demanding, since it represents the first move away from the particular skill area in which most managers have formal education and training as well as on-the-job experience.

Figure 3.1: Locating the General Manager Transition: The Pathways-and-Crossroads Model
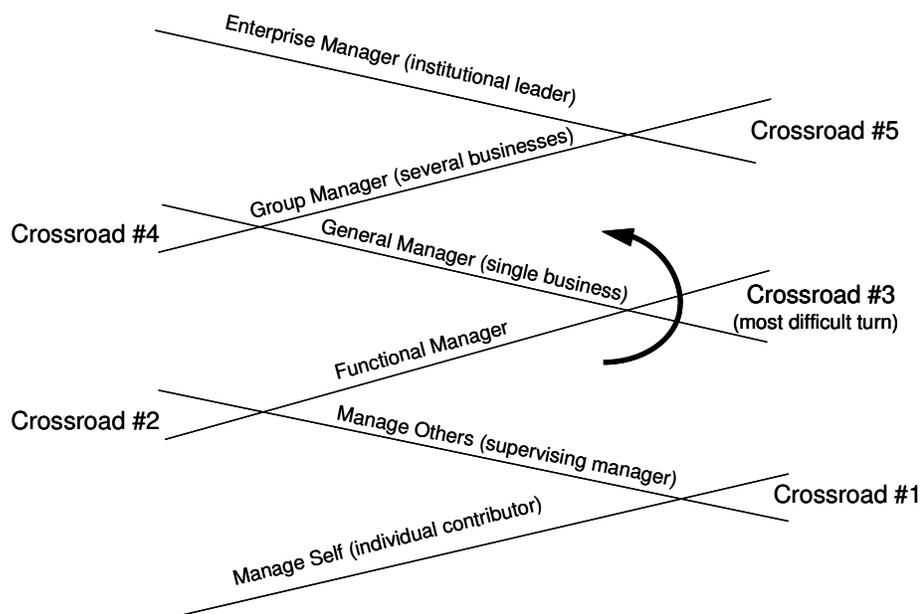
Letting Go and Adding On

Like all transitions, successfully making the leap requires new general managers to let go of or quit using skills and values that were important to their success in their previous role but are inappropriate for the new role. It also requires them to add on new skills, and preserve or modify existing skills and competencies (Freedman, 1998; chapter 2, this volume; see also Exhibit 3.1). In particular there are three key learning areas that new general managers must address. First is a working knowledge of the different functional areas under the new general manager's responsibility. New general managers have to learn enough about every function within their group – even those they may have no experience in, little technical knowledge of, and perhaps even place

little value on – in order to make decisions and trade-offs, and integrate the operations of these diverse functions within a single coherent and viable business strategy. Second, the transition also entails a shift in a manager's time horizon, away from focusing on the relatively short-term goals of a functional group to the medium- and long-term strategic goals of a business. Finally, and perhaps most difficult, it necessitates a shift in mindset from a practical, functional perspective – "Can we do it?" – to a strategic enterprise perspective – "Should we do this? Is it profitable?"

Exhibit 3.1: Letting Go and Adding On for New General Managers

In addition to preserving and building the skills to assess and hire the right talent, set up monitoring and feedback systems, and build a high performing team, the new general manager needs to let go of some behaviors and skills that may have served him or her well in the past and add on some new ones.

Let Go	Add On
Building depth of one's own technical expertise	Working knowledge of new functional areas beyond area of training and expertise
Narrow, practical, functional perspective	Broad, enterprise, strategic view
Short-term – "can we do it" – functional strategies	Longer term – "will it be profitable" – business strategies
Hands-on trouble shooting and problem solving	Trust; coaching others through crises
Competitive attitudes toward peer functions	Appreciation for the contributions of each area of the business
Minimizing conflict within the team; emphasizing harmony and consensus	Valuing diverse organizational viewpoints; new skills to surface differences and constructively managing tension

Key Challenges of the General Manager Transition

An array of complicating factors makes the transition to general manager uniquely difficult. In the first two management career turns – to supervising manager and to functional manager – a person is assumed to be working in the same business or function. She may have a broader scope of responsibility, but her work likely has many of the same dimensions. While all turns in the pathways-and-crossroads model present challenges, it is this third crossroads – from functional manager to general manager – that may present the greatest degree of change for the new executive. She needs to

establish credibility with new teams, made up of people who believe they know more about their work than she does, and who are probably right. Appropriate mentors and role models are scarce, since there are fewer general managers than functional managers in an organization. Previous incumbents in the role may not have succeeded, or may be gone, or the business may have been reconfigured. As one of our clients noted, "When I became fully accountable for the business in two countries there was nobody I could go to next door and say, 'Hey, I've got this problem. What do you think I should do about it?' I mean, if I called somebody, that person may have had more experience than me, but, of course, not in that same position or at that point in time."

The irony is that high performers moving into general manager roles often receive the least organizational support in the form of a transition plan, facilitated sessions with their new boss, experienced mentors to help along the way, or systematic feedback to gauge how things are going. The assumption is, "You've been promoted because you were successful. So keep on being successful!" It is a questionable article of faith to assume continued success, since the expectations and requirements in the new job are radically different from anything the talented manager has experienced in the past. This raises a natural question: what can be done to help new general managers hit the ground running and meet these expectations?

Each person's transition to a new managerial role is shaped by a unique set of factors: the individual's skills and experience, the organizational culture, the health of the business they are assuming, the talent they are inheriting, and the performance expectations they are given. However, we have seen several common and predictable challenges in our experience working with dozens of organizations and hundreds of their managers and from in-depth interviews with the people charged with creating internal systems to support the success of new leaders. Exhibit 3.2 discusses six prominent challenges confronting new general managers.

Exhibit 3.2. Challenges and Strategies for General Manager Turns

Challenge	Strategy
1. Navigating Unfamiliar Waters: Learning the Culture and Expectations	Particularly for internal promotions, the gap in understanding how to operate in the new role is often underestimated. Smart companies help the new general manager make the connections and learn the ropes.
2. Coping with Increased Complexity: Creating Business Strategies	General manager roles often entail an exponential leap in complexity, and new general managers are likely to be uncomfortable asking for help. Support the new leader in developing a business strategy and involving others in decision-making.
3. Managing Former Peers: Letting Go and Assuming Command	The toughest situation is being promoted to manage former colleagues. Use lots of feedback to uncover concerns early and build the general manager's credibility with a skeptical audience.

Challenge	Strategy
4. Building a Leadership Team: Executing Through Others	The quality of the general manager's direct reports is critical to his or her success. Help with the talent assessment, balance skill gaps in the leader with strength on the team, and create an appreciation for candor, conflict, and debate in meetings.
5. Establishing a Personal Leadership Brand: Preparing for Increased Visibility	The move to general manager is a move into corporate leadership. The increased visibility requires increased attention to words and actions. Help manage first impressions and create a positive executive presence.
6. Transferring Knowledge: Preserving the Institutional Memory	A new general manager frequently means someone else is leaving, retiring, or moving on in the company. Use the transition to transfer vital knowledge to the new leader and preserve institutional memory.

Navigating Unfamiliar Waters: Learning the Culture and Expectations

Much individual assimilation work appropriately focuses on helping the new leader build networks and relationships and quickly understand the political landscape and inner workings of the organization. This typically occurs in the first month or two, to get the new leader on her feet and provide a window of opportunity to hold exploratory meetings and ask questions about the basics. For most general managers, this window closes quickly. The honeymoon period of assessing the situation, listening, and learning soon comes to an end, and action is expected.

Some organizations are implementing mechanisms that acknowledge that the learning curve in a complex business is much longer than a few months. In essence, just as youth is wasted on the young, much orientation is wasted on the new. A large industrial engineering firm has developed a course for general managers that have been in the role for three to nine months. The program is focused on systems and processes, and includes a decision-making simulation mirroring the multifaceted nature of the business. It is designed specifically to allow these managers to ask in-depth questions after they've had real experience on the job. Even the existence of the course itself communicates the message that it is okay to still be asking questions six months in.

Such a program is fairly easy to implement and can be as simple as a day-long seminar held once or twice a year. Start with a survey of what new general managers want to know and where they feel less confident. Bring in senior leaders to cover these topics. More importantly, design the day to encourage a lot of interaction and discussion. Use a good facilitator who will create a safe environment for people to raise questions. An added bonus from such a program is that it helps to create networks and relationships among your future leaders from different parts of the organization.

In 2003, Wal-Mart International instituted what it calls the "Next Leader" program. New external general manager hires spend up to six months in a complete learning and listening mode. They are exposed to all facets of the company and are free to attend key meetings and conduct informational interviews, free from formal job responsibilities. They are not expected to deliver any results or get involved in any specific project. Rather they are to immerse themselves in the company's culture and strategy. After six months they are placed in a senior-level international assignment, allowing them to stretch and apply their experiences and learning to the business. Wal-Mart has found the program to be a worthwhile investment to ensure that external executive hires can successfully navigate the specific culture and management practices of the company. Interestingly, they have found that executive hires from other retail companies sometimes have a higher re-calibration curve than those without a retail background. They often need longer in the program to embrace Wal-Mart's management and business practices. As much as the program is used to communicate the unique Wal-Mart philosophy, it is also used to help new hires understand which of the behaviors and approaches that made them successful in the past potentially may not work in their new role at the company.

These new "Next Leaders" at Wal-Mart International are also encouraged to partner with someone in the company who has recently gone through a similar transition experience. While human resources facilitates these contacts, they do not make the matches. Finding an appropriate "buddy" to learn from in this circumstance is a highly personalized process, and depends on the two people forming a personal relationship. Parallel to previous findings from research on mentoring (e.g., Kram, 1985), Wal-Mart has found that over-formalizing the "buddy" system did not offer the full benefits for either associate

At American Express, all new general managers create a "Learning Plan" that includes areas of business knowledge and skill focus, organizational and local culture issues, an employee communication strategy, and a personal development plan. The indoctrination into the organization's culture is the most important part for outside hires. It focuses on how work gets done outside of formal systems, how decisions are made, and guidance on how to effectively introduce and sell new ideas. External hires are provided with a coach and full 360-degree feedback at the four-month mark to determine what course corrections need to be made. For internal promotions, transition coaching is available and focuses on anticipating issues and planning ahead.

Coping with Increased Complexity: Creating Business Strategies

The move to general manager often represents a quantum leap in scope and complexity, no matter how demanding one's prior functional position was. It requires a manager to take a broader view and to ask a new set of questions. Rather than focusing on how the work will get done, the questions that keep a general manager up at night are "Is this the right business model – will it be profitable?" Previously, the manager may have set functional strategy, or may have worked as part of a leadership team that was
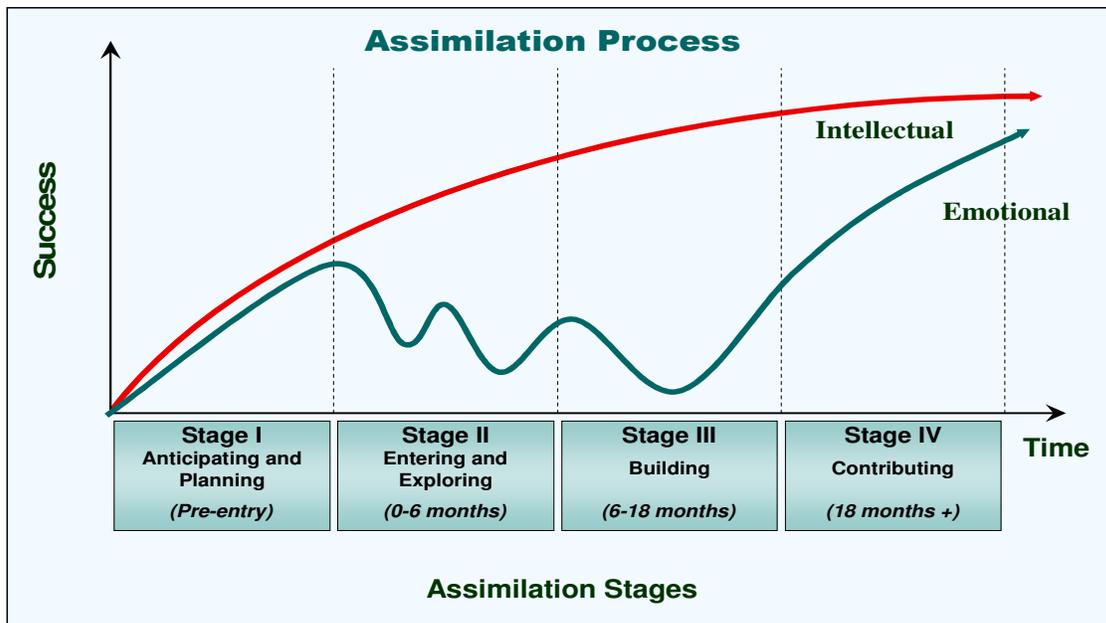
engaged in forming the business strategy. Now, he is responsible for leading strategy development, selling it upwards to managers and laterally to peers, and then gaining alignment and support within his own team.

This is the place where new general managers often stumble, for a number of reasons. The focus on leadership over the past decade has made companies aware of the danger of promoting the best technical performers into leadership positions. As a result, organizations have a heightened awareness of the importance of generic leadership qualities (see Leonard, this volume). At the same time, the relentless emphasis on short-term results often leads to the promotion of problem-solvers, not integrators. For example, a senior manager who we'll call Greg at one of our client organizations was a finance director when he was selected to head up a new business after the acquisition of a competitor. He was known as a firefighter; his style was all about solving today's problems. Greg was admired for his practical, cut-to-the-chase approach, and he swiftly set about making integration and system conversion decisions. However, formulating long-term strategies to grow the business was not where his heart was. And where there is a lack of interest, you can safely bet on finding a lack of skill. Nine months into his new role, Greg had made significant cost cuts but had taken no action on a growth strategy.

At the general manager level, the increase in data and information can easily lead to overload. Those who are able to take a holistic view, can synthesize disparate data to identify trends, and sort out what is important tend to have an easier time shifting to a strategic mindset. Successful general managers have strong business acumen and understand the dynamics of the business without getting bogged down in operational details. Of course, no matter how much natural talent or interest one may have in setting strategy, lack of experience makes it unlikely that these talents will have been sharply honed prior to promotion to the general manager level.

Another barrier is that people who have moved into general manager roles often don't want to admit they are uncomfortable devising business strategies, or that they just don't know how. They think they have to do it alone, and fear that asking for help will be perceived as a sign of weakness. The process of moving from being new in a role (whether promoted from within or hired in from the outside) to being a successful, effective, comfortable leader follows two separate paths: intellectual and emotional (Downey, et. al., 2001). The intellectual experience is the fairly smooth "learning curve" representing knowledge about the new company and job and how to get the work done. When we plot the emotional experience, however, it is more of a roller coaster. It can take as long as 18 months for someone to gain the confidence that comes with competence in a new role (see Figure 3.2).

Figure 3.2. The Intellectual and Emotional Elements of Assimilation

Assimilation Process

Success

Intellectual

Emotional

Stage I	Stage II	Stage III	Stage IV	Time
Anticipating and Planning	Entering and Exploring	Building	Contributing	
(Pre-entry)	*(0-6 months)*	*(6-18 months)*	*(18 months +)*	

Assimilation Stages

Note: This portrayal of the different trajectories for the development of intellectual and emotional success in managerial transitions is based on Assimilating New Leaders: The Key to Executive Retention (Downey et al., 2001). The stages of assimilation, a concept not used in this chapter, is fully elaborated and explained in that book.

There are several implications of this phenomenon for both HR managers and new general managers. The first is the importance of not expecting emotional comfort to keep up with the pace of intellectual achievements. Because of this difference in pace, the assimilation process is often more difficult than most people expect, even for experienced executives. As new general managers learn more about how the organization operates, and about the expectations for them in the new role, they experience continued and growing success. Emotionally, however, new leaders are often confronted by unexpected resistance or barriers at the cultural level that are a result of events and values from the organization's past of which they may not be aware. These "cultural potholes" often carry an emotional charge that is out of proportion to the logic of the situation. Preparing new general managers for these events, and addressing them directly when they occur, is one way that the "emotional learning curve" can be evened out somewhat. The organization can help a new leader deal with these barriers by raising awareness of the difficulties new leaders face, and

providing a supportive atmosphere that will not interpret the normal emotional fluctuations of the assimilation process as managerial or strategic incompetence.

Making the transition to leading with a strategic view of the entire business, instead of only on one's own area of functional expertise, is one of the most difficult shifts to make, both in intellectual and emotional terms. The ability to "think strategically" shows up on nearly every company's leadership competency model (see Martineau et al., this volume, as an example). But the difference between creating a strategy for a single functional unit and a fully coordinated, cross-functional business strategy is rarely delineated. There are a number of practices you can employ to support new executives with this aspect of the transition.

One is to assess for this competency in the hiring and promotion processes. Skill at execution is relatively easy to determine, but if creating and implementing a strategy will be important to the new role, it should be built into the assessment process as well. Involve the hiring managers (i.e., the general manager's new set of bosses) in defining what they expect to see. Probe to understand not just the candidate's skill, but also his motivation and style. The reason for shortcomings in strategic thinking may be lack of experience or, for people like Greg, it may just not be an appealing part of the job. If this gap is not uncovered early, it can derail a career and a business.

Another action that human resources and internal talent managers can take is to make it acceptable, and even positive, to ask for help. New general managers may overrate their own ability or not want to appear inadequate. As part of the transition support program, it should be made clear that strategy development is an important, albeit understandably unfamiliar, part of the role, and help should be proactively provided to assist in this work. Create an expectation that the general manager will enlist others in this role. For example, after seeing Greg stall in his efforts to create a strategy for the integrated business, his HR partner and his manager encouraged him to hold a facilitated two-day strategy planning off-site with his top thirty-five team members. Hearing the group talk about where the business needed to go and the potential opportunities and options made the business prospects real to Greg. It turned an abstract concept into an exciting and more tangible object that he was able to grasp. He also saw the value of participation and the credit he received for involving his people, instead of the ridicule he feared for failing to be a more adept strategic thinker. The process also helped him make the mental shift from being a functional manager whose personal involvement in the work was vital to becoming a general manager whose primary role was orchestrating how the work would get done. He was able to take the output from the meeting and enlist his senior team into building and rallying around a successful growth plan.

Wal-Mart's approach to general manager development places heavy emphasis on learning from experience, perhaps the single greatest source of leadership development (McCall, Lombardo, & Morrison, 1988). High potentials preparing for general manager roles are given opportunities to learn and grow through a succession of increasingly complex, stretch assignments. The company has learned the hard way that it is much more than an increase in scope to from managing twenty stores to

managing five hundred stores. There is an exponential increase in complexity. Now, new general managers may start with twenty stores, then move to another country to manage the same number, and then to a position with more stores in a third country. Wal-Mart talent managers have learned to pace development so that individual capacity and capability grow along with the complexity of the job. Moves for high potentials are carefully planned and sequenced – as much as market change, family situations, and individual interest allow – in order to expose the manager to the right set of developmental experiences. For each move, the individual's strategic ability is matched as well as possible to the current need to ensure there is growth and learning along with business success.

Managing Former Peers: Letting Go and Assuming Command

General managers promoted from within face a unique set of challenges. Several former peers were likely also under consideration for the top spot, and the promoted manager may be inheriting bruised feelings and resentment. Even when the individual is respected, there may be sour grapes. This can raise skepticism about the person's readiness to take on the job, or suspicions may arise about the political nature of decisions.

A widely used technique to establish credibility and ensure that the new manager is on the right track is formalized feedback gathered four to eight weeks after the person has assumed the new role. In some organizations this is done by an external coach, but frequently it is collected by a senior human resources partner or internal talent management specialist. Direct reports are interviewed to determine what is working about the leader's style, actions, and behaviors and what she should continue; where there are concerns and what she needs to do less of or stop doing; and what the primary challenges are for the coming year. The coach identifies trends in the feedback, delivers it to the manager, and together they pick the few items that, if addressed, would have the greatest impact on the performance of the team.

Common feedback for new general managers is to "stop micromanaging," particularly in the functional area from which the manager was promoted. Old habits die hard. Letting go of the work that so recently provided satisfaction and self-worth and focusing on new tasks, many of which are much more amorphous, difficult to execute, and sometimes simply foreign, is often a challenge (Freedman, 1998; chapter two, this volume). Unfortunately, natural uncertainty and insecurity during the first months or year of the transition can provoke behaviors in the new leader that subordinates perceive as a lack of trust in the team and over-involvement in their work.

One way to address this is for HR and the hiring manager to ensure that a strong replacement is selected to fill the position left by the promoted manager. Too often the general manager's new boss may believe that, because of the general manager's technical expertise, weakness can be tolerated in that area. As a result, if the replacement hired at the functional level is weak, a new general manager ends up de

facto managing her old function along with her new responsibilities. This creates an impossible set of expectations, and results in a job that is simply too large.

Another way to help the new manager let go and build trust with the team is to help him think through how he will monitor the work and the business: what reports and data will he need for decision-making? What does he need to know in order to be sufficiently informed for discussions that take place on the leadership team he is now a part of (i.e., his boss's team)? Simply being explicit in initial discussions with new subordinates about data needs and how that information will be used can eliminate much of the misunderstanding and frustration that subordinates often feel around the seemingly random requests for reports.

A tell-tale indication that a general manager transition is on track is whether employees are initiating asking for help or are waiting for the new leader to tell them what to do. This is the time where momentum can be easily lost – especially for internal promotions. At one large North American insurance company, a new general manager is provided with extra coaching on how to assume leadership of a group that is composed of his former peers. This firm has found that it is important for the person to establish and communicate early on what is going to change, what will stay the same, and what the group needs to know about his leadership style. The goal is to reduce uncertainty and the loss of productivity that it often brings.

This company also places emphasis on managing first impressions during initial staff meetings with the new team. Human resources even gets involved in proactively managing the "rumor mill." Within the first few weeks of the appointment, HR will meet with the new general manager's direct reports to identify their concerns, help them understand his style, and reinforce the reasons behind the hiring decision. They have found that this serves to build a more positive view as these reports talk to their own staff and peers in other divisions. It helps to give the new manager the benefit of the doubt among a skeptical audience.

The hiring manager can also be instrumental in easing the way for the new manager to assume leadership of former peers. At American Express, part of the assimilation process is coaching the new general manager's boss on how to best support the new manager. Human resources staff remind the boss of the importance of frequently revisiting goals and objectives and giving feedback. Cognizant of the demands on these executives, this is provided in the form of "three quick, easy things you can do," rather than an overly burdensome process.

Building a Leadership Team: Executing Through Others

Building an effective team is a key responsibility of leaders at all organizational levels. For a new general manager, however, building and maintaining a strong leadership team is different from team building at lower levels. Because of his own technical knowledge gaps, the new general manager has to have complete confidence

in the capabilities of each team member. There are several issues to anticipate in this area.

First, there may be discomfort assessing the performance of former peers. It is likely they had an arm's-length relationship based on the tacit understanding of, "We both sit on the leadership team, but if you stay out of my business, I'll stay out of yours." In addition, the new leader may be inexperienced in assessing other functional areas or more comfortable doing a technical assessment, rather than a managerial talent assessment. In addition, even if one is proficient at assessing the capabilities of others, it takes a lot of skill and self awareness to identify one's own weak spots (in skills, perspective, experience) and identify how others can compensate for those gaps.

The new leader also needs to develop an appreciation for contention on her leadership team. Multi-functional teams are intended to elicit different points of view. Often the new general manager has to hold back from pushing for consensus and compromise for the sake of harmony. Rather, she may need to learn new skills to surface issues and harness the varying perspectives in order to reach better decisions.

Many executive coaches don't work with teams, and the limitations of a coaching approach that is purely focused at the individual level can manifest themselves at this point. It can yield tremendous dividends for a new general manager to have an internal or external coach who can help with the assessment of talent on the team, is comfortable with team dynamics, and can even facilitate some of the first meetings.

As important as it is to help the new general manager make good decisions about the composition of his new team, it is also sometimes necessary to hold the new manager back from making personnel changes too quickly (see also Gabarro, 1987). Managers can feel that making changes or bringing in new people is essential to establishing command and credibility, but these almost predictable reshufflings contribute to the distraction and disruption felt by front-line employees. Unless it is a turnaround situation, where the team has already been determined to be part of the problem, managers should be urged to take time to assess their personnel and hold off on making changes.

Establishing a Personal Leadership Brand: Preparing for Increased Visibility

The promotion to general manager is characterized by a higher level of visibility in the company. Even if it is an internal promotion, it is frequently the turn when the person goes from knowing a fair number of people in her organization to feeling that "they all know me and I hardly know anyone." In their communications, general managers address a much more diverse audience than before, an audience that often speaks a different organizational language. Informality may no longer be appropriate, and presentations should not contain the jargon, technical terms, or insider references that worked with a purely functional audience. A different level of executive presence is required.

Linda Reese, a partner at the consulting firm, Executive OnBoarding, has worked with many organizations to set up transition support systems. She puts an emphasis on helping the new leader establish a "leadership brand strategy." Early assessment includes a focus on what is positive about the person's style and what might possibly diminish the person's effectiveness. Specific coaching strategies are put in place to help the leader project the confidence appropriate for the new role and to achieve a balance between his genuine personal style and the expectations and role requirements of the more senior position.

At the insurance company referred to above, the human resources function has found that in addition to coaching the new general manager, there is often need to educate the broader employee population about what general managers do. Key messages about what to expect in this role are embedded into the town hall presentations – dubbed Leader Forums – that new general managers are expected to hold with their employees. These messages include the company's expectation that its senior leaders, including general managers, will focus on building talent, teams, and relationships and the "why" of the work. The "how to" has been pushed to lower levels of managers and supervisors.

Transferring Knowledge: Preserving Institutional Memory

A frequently overlooked challenge is the transfer of knowledge from the outgoing leader to the new general manager. Valuable information regarding the history of the business, the rationale and results of past decisions, the quality of the team, and key linkages and pitfalls may be lost when there is no opportunity to meet with the person who last held the job. Of course, if the previous manager failed, this information may not be reliable. And with the rapid pace of reorganizations, the new leader may be stepping into a newly created role for which there is no precedent. But most often an opening is the result of a reshuffling of the management ranks, and there is an opportunity for the two managers to connect and share knowledge.

With the looming retirement over the next decade of so many senior managers and the potential loss of their collective institutional memory, organizations are becoming more aware of the need to capture these insights. American Express encourages new managers to speak with the person who previously held the position, but is also wrestling with the larger challenge of retaining these forms of organizational and intellectual capital that are so hard to document.

Many of our clients and associates report that this is an effort that is unlikely to happen if left to chance and the initiative of the incoming leader. On the other hand, they have found that relatively small interventions that legitimize the conversation and provide some structure go a long way toward helping new general managers mine the knowledge of the people they are replacing.

At Pfizer, many human resource partners encourage such meetings to take place, when possible and appropriate. The discussion focuses on insights and lessons learned. It is particularly encouraged for international assignments, when a local functional manager is moving into a country manager position and there is a need to transfer corporate knowledge from the incumbent. These meetings are also encouraged when general managers are moving from smaller to larger countries and need guidance on local culture and business practices. Pfizer is also beginning to focus on becoming more systematic about using the months between when someone announces a retirement and when they actually leave to mine and map their knowledge.

These conversations are as important for new leaders promoted within a company as they are for those coming in from the outside. It is too often assumed that someone already working in a business knows why past actions were taken and the circumstances the predecessor was working under. This unstated assumption often makes it impossible for someone to admit what they don't know and ask for help, which is all the more reason to formalize, legitimize, and encourage such conversations.

Exhibit 3.3: Preparing a New General Manager to Take Charge

In our consulting practice, we have we have helped several companies create transition strategies. One particularly effective part of these is coaching new general managers prior to the transition to think about and plan for the multiple dimensions of their role that will affect their credibility and effectiveness. Generic questions like those that follow can be used for this purpose.

Introduction to the Organization

- How can I influence the way I am announced in this new role (internally and externally)?
- What is the political climate, and how might it impact this role? Is there controversy around my position or appointment?
- What are the different forums in which I will be introduced and how does the message need to be different for each audience?

Letting Go of the Past Role and Shifting Focus

- How do I make a real "transition" from my previous role?
- Where do I need to spend my time? How is this different from before?
- What is currently going on in the organization that I need to know more about? How will I find out?
- What pending problems, commitments, or key decisions affect me?
- Are my objectives clear? Are the objectives for the business unit clear?
- What shouldn't I do in this organization?

Building Relationships and a Leadership Brand

- Which key people should I meet?
- Who can I count on for support?
- How can I reduce the uncertainty among the people in the organization regarding me as their new leader?
- What do others need to know about my style and how I operate?

Support for Internals vs. Externals

Throughout this chapter we have alluded to different approaches for internally promoted general managers versus those hired in from the outside. In general, we find that organizations provide better support for external hires. For example, American Express has a robust, consistent assimilation process that is used for all new external executive hires. They are just starting to give a similar level of attention to internally promoted people. For external hires, it is easier to recognize what they don't know and help fill the gaps. Also, external hires often face higher expectations than internal hires, and have further to fall when they don't succeed. Usually, the company went outside because there were no qualified internal candidates, and it paid a premium to bring in an external hire.

On the other hand, a general manager promoted up from a functional role may benefit from a general acknowledgement that this is a stretch or developmental assignment. If the organization has a good talent inventory process, her development needs will be well known and supported. Of course, as we've pointed out, those promoted internally are hampered by the assumption that they know how things operate, have the right relationships, and are well versed in the organizational culture. As a result, adequate attention may be given to filling skill and knowledge needs, but the new boss, colleagues, and human resources may underestimate the destabilization and psychological challenge the new general manager is facing. Or they may overlook the unique situation of having to manage former peers and the time and energy required to reestablish credibility and overcome the initial feeling of incompetence.

Many of the approaches and interventions are the same for internal and external hires, although the timing may be different. For example, for an internally promoted general manager, early and immediate action to uncover the concerns of direct reports and begin managing and addressing them is critical. Another high priority is finding a strong replacement in the functional manager role if the new general manager will be supervising his former colleagues. For an external hire, a useful step is holding a briefing even before the job starts on the organization's culture and norms, the key players, and how to navigate through informal structures and systems. We particularly like the idea of an "orientation" program, for both external and internal hires, offered sometime between three and six months into the position to allow the still relatively new general managers to get at the questions and issues that have taken on more meaning and urgency now that they have some actual experience under their belts.

Conclusion

It is heartening that although these six challenges seem to appear consistently across industries, the successful methods of addressing them seem to work equally well in different environments (Downey et al, 2001). Perhaps what we have found most striking in our work with clients and in our research is that, with a few exceptions, most successful transition support practices are fairly simple, low cost, and low tech. They are common-sense interventions that many companies already use in one form or another. Where we see the most impact is when these ideas have been systematized and built into on-going management practices. This approach contributes not only to individual success, but also creates organizational competence.

What is also clear is that this work can not be delegated to just one person. There are roles for the hiring manager, for various levels of human resources, specialized talent resources, outside coaches, the promoted manager, and even his new team. Linkages to relocation and expatriate support are critical to coordinate transition support for international executives (McCall, 1998). However, it appears that where there is a designated touch point – someone who has the responsibility to manage the process and look out for the success of the new general manager – the pieces come together better. The challenge is to gain the benefits of a centralized, consistent process which can be customized and implemented with a personal touch for each individual general manager.

This requirement of reciprocal interaction is one of the most frequently overlooked aspects of executive transitions in general. The organization needs to be flexible along with the individual if a new general manager is to "fit." The new general manager is a seasoned player – with history, skills, personal characteristics, and experience – encountering an unfamiliar situation. The organization has its own processes, procedures, history, and culture that are fairly stabilized. In order for the transition to be successful, both parties – the new general manager and the organization – need to make adjustments in order to accommodate the realities of the situation.

Supporting the transition to general manager is a high-return investment for organizations. Much has been written in the past few years about the importance of on-boarding and assimilation, as companies recognize that the amount of time and effort spent during the recruiting and assessment phase has not been matched by the same level of attention post-hire to ensure the new leader's success (Downey, et al., 2001). While undeniably helpful, these efforts are often left to the individual's initiative and so, even with this added investment, "sink-or-swim" continues to be the norm. Since any one manager will make maybe half a dozen significant turns during the course of a career, an organization that depends on individual competence to make these transitions successfully is missing an opportunity, and avoiding a responsibility, to ensure the success of its leaders.

Author Notes

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