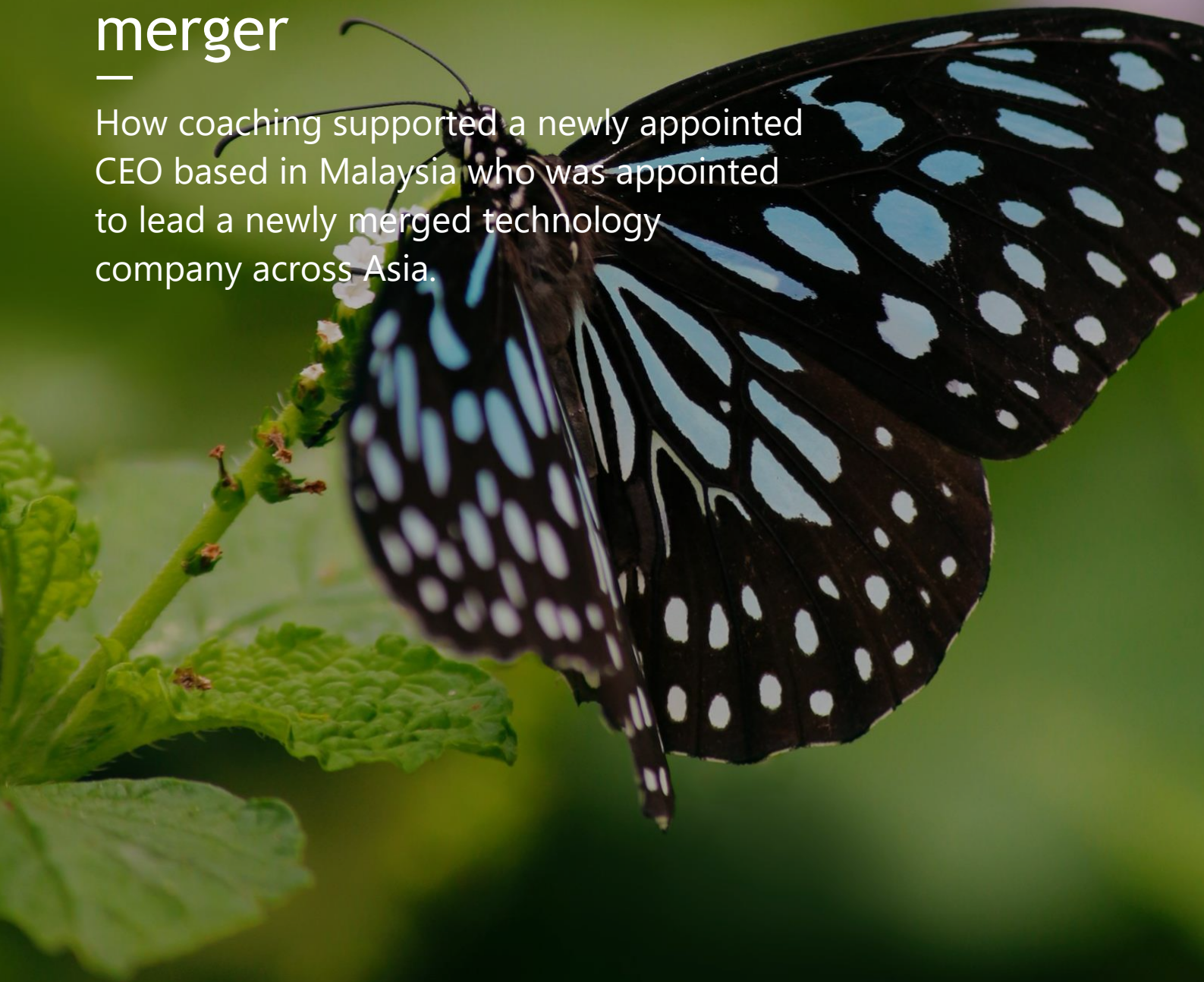




THE LEADERSHIP CONTEXT

Transitioning the new CEO while embedding a merger

How coaching supported a newly appointed CEO based in Malaysia who was appointed to lead a newly merged technology company across Asia.



Introduction

SEEK is a market leading online employment marketplace technology company listed on the Australian Securities Exchange, head quartered in Melbourne. International growth has come through acquisitions of in-country technology companies that SEEK then, post-acquisition, develops to home market dominance with home market CEOs. This strategy has been successful in South America, China and more recently in Asia.

In 2014/ 2015 SEEK took a controlling interest in JobsDB and JobStreet. These companies were competitors based in Malaysia and Hong Kong. Once regulatory approval for the merger was given, the organisation set about bringing the entities together and laying the foundations for long term growth.

An Australian based executive led the initial merger and integration. The plan was to hand over the leadership reins to a locally based executive as per their traditional strategy.

My relationship with SEEK had been well established at this point, having worked with many of their executives in Australian and South America. I was asked to support an executive called Suresh, the COO of the joint entity, in his efforts to integrate the two organisations and assist him in getting ready to take the CEO role, if he was to be offered that position.

Suresh had been the long term COO of the Malaysian organisation, reporting to the founding CEO who had departed when his company was acquired by SEEK. As a coach I have written extensively on 'C' level transitions into the most senior leadership roles (O'Sullivan, 2015) and have gained over 15 years-experience working across Australasia in a coaching capacity.

Over-arching coaching approach to leadership transitions

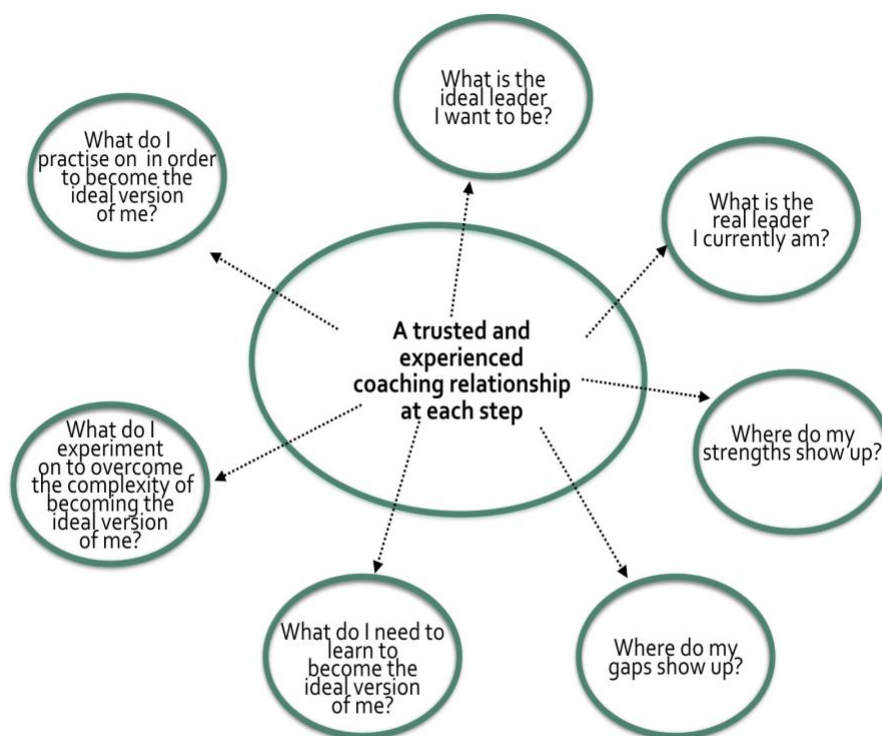
Leadership transitions, described as a leader moving from one level of leadership to a higher level of leadership, are often fraught with complexity leading to many leadership mistakes leading to being deemed as failure between 25-40% of senior executive leadership transitions. (O'Sullivan, 2015). When the transition is at CEO level there is an increased level of complexity involved. A coach supporting the CEO executive needs to take an integrated coaching approach that is informed by a range of evidence bases as one modality is unlikely to satisfy all situations. Having an over-arching framework to guide the case conceptualisations and coaching interventions choices.



My practise in supporting transitioning executives utilises two main models or frameworks that naturally complement each other.

The initial model is called the **Individual Development Model**, adapted from Boyatzis's intentional Change Theory (Boyatzis, 2006). It is a circular non-linear framework that starts with an ideal leadership frame. In practise a preceding question often is: "What does this new role require of you as the leader"?

Fig.1 Individual Development Model



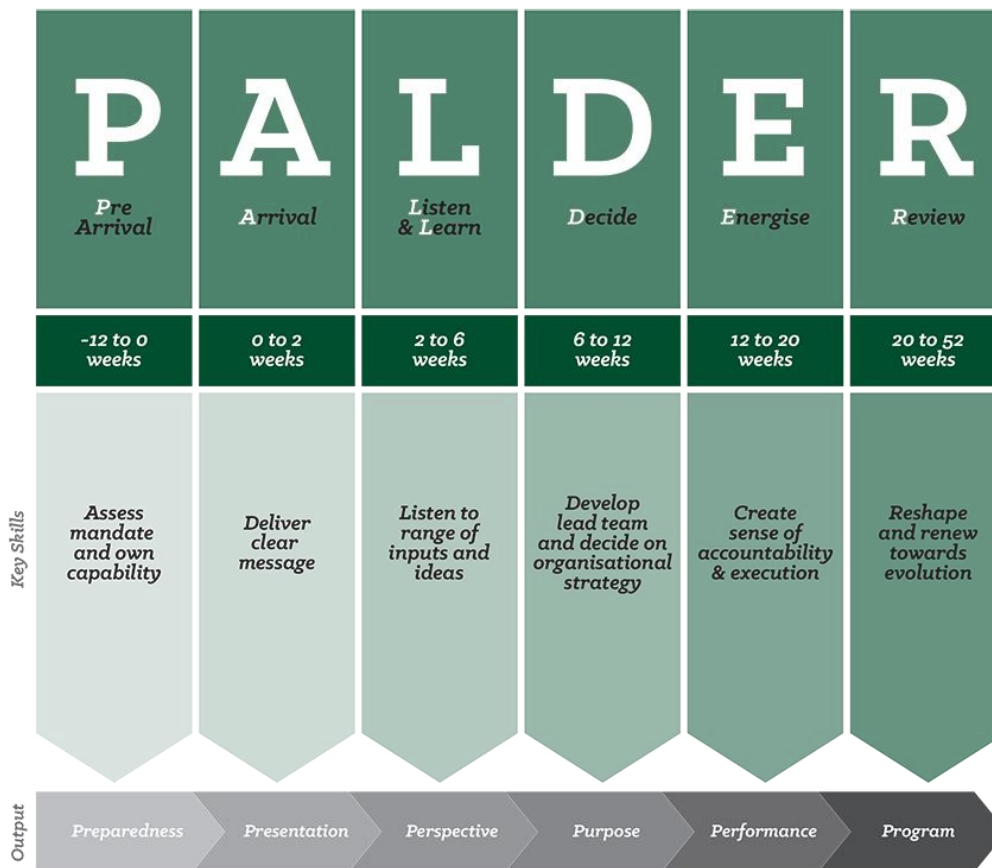
Individual Development Model

Adapted from Boytzis's Intentional Change Theory

The second framework is the PALDER framework that supports all senior leaders in transition, particularly to executive positions and in expatriate leadership roles. It is a time-based framework that assists leaders decide what they most need to focus on at different time based points of their transition. (O'Sullivan, 2015)



Fig. 2 PALDER Model



Situation

The coaching brief was couched in three parts.

- (a) Assist the COO in post-merger integration activities
- (b) Assist him in managing cross cultural relationships between the various Asian offices and head office in Melbourne, Australia
- (c) Support his learning as the COO to maximise his potential as the preferred candidate for a CEO appointment

Mergers have a high failure rate (Canina, 2009; Cuza, 2011,) with the pre designed outcomes rarely being realised. A well-managed cultural integration or culture optimisation program put in place post integration can increase the post-merger success rate by 26% (KPMG, 1999, cited in Bertoneclj & Kovac, 2007). The difficulty for a new leader is in understanding what to include in that program and how best to implement one. The added difficulties of cross cultural hierarchies that exist between



North and South Asian countries such as Hong Kong and Malaysia are made more difficult when the two companies being merged originate in those regions and are used to being market competitors. Neither company had been part of a multinational entity before either, both having originated as local start-ups. As a result, there were many complexities in Suresh's situation.

Coaching is proven to be a useful intervention for leaders in the midst of such complexities. With a skilled coach, individual sessions give a confidential, safe environment to self-examine, explore, develop and compile actions without the fear of judgement or risk of managerial redress of the incorrect decisions are made (Berriman, 2007).

During times of complexity such as post-merger or transitioning to more senior levels of leadership, external coaching enables professionals to orchestrate change while maintaining a reflective mindset and stakeholder orientation which will continue to fuel the ongoing changes needed (Hicks & McCracken, 2012).

Interventions

A carefully designed multi-phased coaching program was put into place for Suresh. He had never been coached before. His organisation, pre-merger, had placed emphasis on rapid growth in their market sector and little on leader or people development. He expressed positive surprise when SEEK offered him coaching support to ensure he succeeded navigating the multiple transitions upon which he was embarking.

The program (see diagram 1) had three distinct phases. The first focussed on a successful initial implementation of post-merger strategies and optimisation of employee engagement. This included stakeholder interactions and seeking feedback leading to Suresh undertaking a Leadership Circle 360 assessment. 360 degree instruments can be helpful for leaders to gain insights into the impact they are having as a leader (Dalton, 2005). The choice of instrument was important as Suresh was navigating several transitions and complexities and needed a robust instrument to assist him in understanding his potential reactive tendencies that could negate his leadership competencies. The leadership circle tool is ideal for such a scenario (Anderson & Adams, 2015)

Phase 2 shifted focus for Suresh to raise his awareness on the behaviours, mindsets and habits developed as a COO and how to develop those needed if he were to get the CEO role. (Stober, 2008). This involved a high degree of emphasis on behaviour change, internal reflections, stakeholder feedback and feedforward sessions and progress measurement of behaviour change (Anderson & Adams, 2015).



Phase 3 shifted again once Suresh was appointed as the SEEK Asia CEO, leading the SEEK Asia business including Jobstreet and JobsDB, in late 2015 to focus on a successful leadership transition. Using the PALDER leadership transition framework (O'Sullivan, 2015) the coaching sessions were planned to ensure each important focus area as a new CEO was considered in the optimal time frame it needed to be.



Diagram 1: Coaching Program

| Transition Phase | Phase 1 | Phase 2 | Phase 3 |
|--|---|--|--|
| Business Imperative | Formation of Seek Asia, Leadership and integration team | Successful acceptance of newly promoted COO into CEO of joint entity | Re enrol all employees in the stated vision and strategy. Lead an integrated and empowered leadership team |
| Focus/ outcomes supported by coaching | Capability alignment to delivery of planned strategic aims and communication plans Alignment between COO and his respective peers as their future leader | Strong engagement from key employees that Suresh will be the new CEO Successful and early transition into CEO role | On board new leadership team members to their roles and responsibilities Integration targets and strategies delivered |
| Coaching Frameworks | <p>Narrative Coaching Approach (Drake 2007) To assist Suresh in voicing his own story</p> <p>The Leadership Circle 360 assessment To gain insights into his leadership impact and potential (Dalton, 2005)</p> <p>Stakeholder involvement Ensuring Suresh engages relevant stakeholders (O’Sullivan, 2015)</p> <p>Integration priorities Integration planning frameworks to translate business case into tangible actions and time frames</p> <p>Solution Focused approaches To assist in generating a wide range of options and empowerment</p> | <p>Strengths identification For Suresh to fully embrace his strengths as a COO and to decide what are the optimal strengths in the future</p> <p>Pulse Checks To measure progress over time (and not perfection) (Anderson & Adams, 2015).</p> <p>Personality preferences tool Hays Group</p> <p>Emotional Intelligence To understand the range of leadership approaches / inter personal intelligences he might</p> | <p>PALDER framework To guide the transition to CEO from COO using proven methodologies (O’Sullivan, 2015)</p> <p>Team development To identify the optimal ways of setting the environment for top team optimisation (Clutterbuck, 2013)</p> <p>Virtual team leadership Leading across borders (Curseu, 2006),</p> <p>Kolb Experiential Learning Model (Kolb & Kolb 2009)</p> <p>A reflective learning process to monitor progress</p> <p>Journaling (Stober, 2008) Hyper mindfulness can precede optimal performance</p> |
| Expected Leadership Development as an outcome from those intervention choices | Raise Suresh’s awareness on the optimal actions he needed to deploy and the associated risks. Taking a wider consultative approach as opposed to his traditional authoritarian approach. Facilitating the move from old company culture to new joint company culture | Raise Suresh awareness of his personal impact as a leader. His leadership style suited his historical company but could be a derailer in the newly merged company. The power of reflection and mindfulness as a regulator of behaviours. Measuring progress rather than perfection | Suresh to successfully inhabit the role of CEO of the new entity and maintain employee engagement, particularly with employees of the ‘other’ company. To build stakeholder relationships in the headquarters in Australia. Share and build his (the CEO’s) ‘teachable point of view’, i.e. translation of strategic aims into clear accountabilities and KPI’s across the organisation. |



Coaching program rollout

The program had a mixture of face to face sessions in Kuala Lumpur and Melbourne, supplemented with Skype sessions in between. Typically, in phases 1 and 2 we met every 3-4 weeks, with occasional periods of increased frequency if there were situations or concerns that benefited Suresh to have more contact. Preparing for important staff meetings or shareholder presentations are examples of such events. As the program moved into the latter stage of phase 3 this naturally moved into a 4-week frequency. Currently the program has been extended and we are meeting every 6 weeks.

Coaching notes called **Reflections and Reminders** were sent after each session by the coach to Suresh as reflective materials and a session record.

Leadership assessment

The leadership circle 360 assessment was debriefed over two sessions. Whilst it illustrated strong leadership competencies that had made Suresh a valuable COO during the rapid growth his organisation had experienced, it also illustrated that his desire for control and personal arrogance were potentially going to derail him as a CEO.

Hierarchy as a leadership style is common in Asian countries (O'Sullivan, 2016), particularly in Hong, Kong and Malaysia. Yet this style is shunned in Australia (O'Sullivan, 2015). Suresh had to learn to minimise his desire for control and arrogance tendencies if he was to become a successful CEO. This was both from a leadership and cross cultural perspective.

After digesting his leadership feedback Suresh did a deep dive into both control and arrogance to understand how these developed for him over his career and how he might minimise both. Originally he grew up in rural Malaysia and his early intellectual talents saw him studying on a scholarship in MIT, Boston with many future technology international leaders. The desire to be intellectually capable and operationally efficient in a boot strapped start-up helped Suresh foster both reactive tendencies.

He quickly realised that he himself was the potential blocker for a successful integration of both companies and in earnest sought feedback on where he might improve.



Using a pulse check process, his stakeholders gave him regular progress reports and suggestions on where he could focus his behaviour change efforts.

Behaviour change

Some clearly articulated behaviour goals were identified and shared with his stakeholders for their input and regular feedback. They included the specific worded examples below:

1. Being less autocratic by trusting and empowering his team mates to make their own decisions and by listening more often than speaking
2. Being less critical of others by motivating others to over achieve and not demotivating them or stifling their creativity
3. Developing humility by being less arrogant or dominance in meetings
4. Actively helping others to grow their capabilities, confidence or scope of work

Suresh was surprised to find that it wasn't as difficult to change behaviour as he had thought it would be, and that the impact of those changes were noticed at home as much as they were at work. His teenage son increasingly and actively involved Suresh in his life, which Suresh appreciated.

Cross-cultural relationships

Suresh identified key stakeholders in both Hong Kong and Melbourne with whom he needed to build relationships. Within the Hong Kong office morale was not as high as the Kuala Lumpur office. He proactively spent fixed periods per month working out of the Hong Kong office to address concerns but to be seen as a leader of 'the Asian business' and not just the Malaysian business. Within Australia he sought to adapt his messaging to the more relaxed style of Australian business etiquette. Having lived in Australia as a student for three months, Suresh had already built up an understanding of Australian standards. Preparing for Board presentations saw Suresh prepare in his natural style and then adapting as per the feedback he received pre the meeting.

Leadership team development

In January 2016 Suresh held his first leadership meeting in his role as CEO. He had been a part of that team for a year earlier but as COO and therefore was not leading



his former peers. Coaching sessions were spent on preparing for that initial meeting and an offsite later where he and his team clarified their purpose as a team and aligned behind the pre-determined strategies (Soudunsari & Hakanen, 2012). The role of CEO is critical in setting the clarity of direction and pace of change or execution. Suresh was very mindful of his previous reputation for authoritarian orientated execution and wanted to ensure he stayed open to consultation with inputs from his team.

Coaching moved to the take up of five daily habits of exceptional leaders (Gaster & O'Sullivan, 2014). Using a simple five question daily reflective process, Suresh took time every morning and evening to take stock on what the most important areas of **intentional focus** he needed to have as the CEO. These centred on the work that needed to be done, the people that needed to do that work and how he needed to ensure he was an enabler and not a blocker of that progress.

Outcomes

Ultimately the coaching program was designed to ensure Suresh was successful in securing and transitioning to the CEO position of SEEK Asia. With that he received confirmation of his appointment in December 2015 and commenced in January 2016.

His quantitative pulse checks showed on average **a 4.7-point improvement** (on a 7-point progress scale) suggesting 'very noticeable changes' and 'obvious business impact' improvement from a range of stakeholders against the measured behaviours. Qualitative feedback suggested Suresh has successfully developed competencies in listening, delegating and motivating his team towards achieving shared outcomes.

Fig 3. 7-point Scale

| Rating | Significance |
|--------|---|
| 0 | No progress or has gone backwards |
| 1 | Minimal progress but still relatively negligible |
| 2 | Some progress with results to follow |
| 3 | Starting to see progress. Efforts worthwhile |
| 4 | Progress is obvious and results are showing |
| 5 | Good progress with obvious business impacts |
| 6 | Really good progress, results clear, impacts positive |
| 7 | Great progress. Well done |

Learnings



Complexities abound during major transitions and leaders find it easy to fail (Watkins, 2003). An organisation undergoing a merger or been acquired is a complex system (Curseu, 2006). The leaders need to be able to straddle both emerging dynamics and provide enabling conditions for stability (Jones & Corner, 2012).

Suresh was afforded the opportunity to have coaching support to assist him navigate these hurdles and he embraced the process. His enthusiasm for learning, reflecting, asking for feedback and being genuine in understanding the suggestions received meant he endeared himself to those around his inner circle who then offered more support.

A coaching process needs to be adaptable to the situation the clients either find themselves in or ones the coach knows are likely to find the coaching client in the immediate future. Subtly or overtly setting up a multi phased coaching program that addresses a range of coaching needs is vital in ensuring the client has the best opportunity to succeed.

Seeking and receiving stakeholder feedback on a regular basis is essential for program monitoring but also evolution. Based upon his stakeholder inputs some coaching interventions were changed and adapted for Suresh.

Finally, an integrated theoretical and pragmatic approach is vital to assist a leader navigating complex surroundings. Being able to 'pull' from a wide range of theoretical perspectives allows the coaching client to gain greater insight. But framing those insights through a pragmatic lens enabled Suresh to quickly implement actions or options and see the impact they had without delay.

Author

Padraig O'Sullivan is the Founding Partner of The Leadership Context. Based in Australia, Padraig works across South East Asia, the Middle East and Australia. He is the author of the **Foreigner in Charge** series of books and has written chapters in three other books. He also holds the position of Honorary Fellow at Sydney Business School, University of Wollongong, where he lectures on the Masters of Business Coaching degree.

For more insights tune into The Leadership Diet podcast.
www.theleadershipdiet.com

References



Anderson, R., & Adams, W., (2015) *Mastering Leadership: An integrated Framework for Breakthrough Performance and Extraordinary Business Results*. Wiley, New Jersey

Berriman, J. (2007), 'Can Coaching Combat Stress?', *Occupational Health*, Vol. 59, Iss:1, pp.27-29

Bertoncelj, A. & Kovac, D. (2007), 'An integrated Approach for a Higher Success Rate in Mergers and Acquisitions', *Zb. Rad. Ekon. Fak.*, Vol. 25, Iss: 1, pp 167-188

Richard E. Boyatzis, (2006) "An overview of intentional change from a complexity perspective", *Journal of Management Development*, Vol. 25 Iss: 7, pp.607 – 623

Canina, L. (2009), 'Examining Mergers and Acquisitions', *Cornell Hospitality Quarterly*, Vol. 50, Iss:2, pp 138-141

Clutterbuck, D. (2013), 'Time to focus on coaching the team', *Industrial and Commercial Training*, Vol 45, no!, pp18-22

Curşeu, P.L., 2006. Emergent states in virtual teams: a complex adaptive systems perspective. *Journal of Information Technology*, 21(4), pp.249-261.

Cuza, A.I. (2011), 'Mergers- Success or Failure', *CES Working Paper*, Vol 3, Iss:1, pp135-142

Dalton, F. (2005), 'Using 360 Degree Feedback Mechanisms', *Occupational Health & Safety*, Vol. 74, Iss.7, pp.28-30

Drake, D.B. (2007), 'The art of thinking narratively: Implications for coaching psychology and practice', *Australian Psychologist*, 42, 4 pp 283-294

Gaster, R. & O'Sullivan, P. (2014) (retrieved from <http://osullivanfield.com/resources/conference-materials/daily-habits-exceptional-leaders/>)

Hicks, R. & McCracken, J. (2012), 'A Coaching Blueprint', *Physician Executive*, Vol. 38, ISS:1, pp62-64

Jones, R. & Corner, J. 2013, "Seeing the forest and the trees: a complex adaptive systems lens for mentoring", *Human relations*, Vol. 65, no.3, pp 391-411



Kolb, A.Y& Kolb, D.A. (2008), 'The Learning Way: Meta- cognitive aspects of experiential learning'. *Simulation & Gaming*, Vol 40; No 1

O'Sullivan, P. (2015), *Foreigner in Charge: Success Strategies for Expat Leaders in Australia*; Exisle publishing,

O'Sullivan, P. (2016), *Foreigner in Charge: Success Strategies for Expat Leaders In Hong Kong*; Exisle publishing,

Soudunsar, A. & Hakanen, M. (2012), "Building Trust in High Performing Teams", *Technology innovation Management Review*

Stober, D.R. (2008) Making it stick: Coaching as a tool for organizational change. *Coaching: An international Journal of Theory, research and Practice*, 1:1, 71-80

Watkins, M. (2003), *The First 90 Days: Critical Success Factors for New Leaders*, Harvard Business School Publishing, Boston



theleadershipcontext.com

