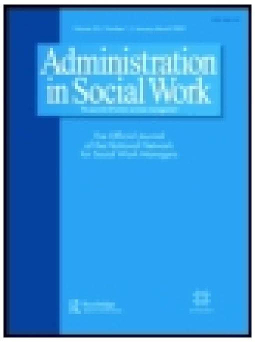

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Executive Exit: Multiple Perspectives on Managing the Leadership Transition

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The complex process of entering and exiting a position of organizational leadership has received little attention in the management literature. Studies of effective leadership usually focus on the middle phase in the tenure of an executive. Only recently have we begun to explore the critical factors surrounding the entry process of taking command (Gilmore, 1988; Austin, 1988; Gabarro, 1987; Brauer, 1986). The one exception to the relative dearth of attention given to the process of executive exit is Sonnenfeld's *The Hero's Farewell* (1988) which deals more with retirement than with the more frequent occurrences of executive exit throughout one's career.

Research on executive exit is difficult to conduct because transitions are complex and fleeting and are often not stable enough to assess. The subjects of such research, both departing executives and those who remain, usually want to look ahead to less difficult circumstances. Researchers may have difficulty gaining access to key actors in organizations experiencing an important transition. It is not surprising, therefore, that more attention might be given to the entry process reflecting the optimism, the sense of possibilities, the adrenalin of "taking charge," the excitement of building a new team, than to the issues of leaving. Executive exit, in contrast,

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requires the capacities to reflect on what might have been, to relinquish control, to disengage from satisfying relationships, and to come to terms with one's accomplishments and disappointments.

The seeds of executive exit are planted during executive entry. The hopes and visions for the organization developed upon entry often are the baseline criteria for assessing organizational performance upon exit. Performance is also assessed at several junctures throughout the tenure of the executive in the form of annual reports, job performance evaluations, self-assessment, and assessments by outside experts. The exit process represents the one final opportunity to assess the executive's role in enhancing the organization's effectiveness. Were the highest priorities addressed? Were important stakeholders inside and outside the organization adequately involved in organizational decision-making? Were key processes and procedures institutionalized to provide an organizational memory for continuity and change? These are some of the questions which help staff and executives focus on the role which is being vacated rather than just the management style of the departing executive.

Exits stir up complex feelings in both those individuals actually leaving and those staying. For those remaining behind, the departure of one leader and the entry of another stirs up hopes, fears of abandonment, newly found freedom, and/or anxieties about the impact of change on their own careers. By contagion from the departing executive, they begin to explore new opportunities for themselves.

An executive who is leaving is usually simultaneously entering a new role. The following feelings are common: relief from no longer dealing with intractable problems, satisfaction over the successes of one's tenure in office, sadness over leaving trusted and supportive colleagues, and anxiety and excitement over the prospect of starting over in another organization. Superiors and/or members of the organizations's board of directors feel both the burden and excitement of choosing a successor. They may need to handle the transition period by appointing an acting director. At the same time, the exit situation can increase internal struggles for power among members of the staff or the board.

Participants often "get through" this period without facing the hard work of managing the exit process. Irrespective of the smoothness or roughness of the transition, all too frequently key stakeholders fail to use the transition as an opportunity to rethink the organization's overall strategy about the future (Gilmore, 1988).

This article provides a beginning analysis of the exit process by selecting, as the modal case, the executive who chooses to move on to another opportunity (Fuchsberg, 1990). It does not address the issues of executives who exit due to retirement (Sonnenfeld, 1988; Vancil, 1987), termination (Markoff, 1990), resignation in protest (Pruger, 1979; Weisband & Franck, 1975), reassignment, or illness and/or death. This article identifies the key components of the exit process and some strategies for managing executive exit.

KEY COMPONENTS OF THE EXIT PROCESS AND THEIR MANAGEMENT

Timing

The timing of the departure is often related to expectations upon entry. For example, most organizations have either explicit or implicit tenures associated with different roles. Executives also estimate how long it will take to accomplish a set of objectives. These formally stated expectations, as well as the informal personal estimates, provide a hindsight perspective from which to assess the timing of the departure. If an executive perceives that the bulk of the objectives have been accomplished or have been judged unreachable, he or she may be ready to "move on."

Frequently, the timing issue is more unpredictable. Some have spoken of an "itch" for a change that has them attend more to other opportunities. If staff problems become a continuing source of irritation or the accomplishment of organizational objectives are blocked by factors negatively impacting the organization from the external environment, then the likelihood of exit increases.

Once an executive decides, then he or she needs to plan the sequence of disclosure: usually beginning with family members and immediate superior; followed by immediate colleagues and friends; and finally, to the staff and public at large. At the same time, current projects and commitments require immediate attention in order to maintain momentum and set realistic expectations for what can be accomplished before departure and what must wait for the successor.

Legacy to the Organization

Most departing executives hope that the changes and stability provided through their leadership will remain long after their departure. When looking back over the accomplishments, the enduring changes or improvements reflect an "architecture that stuck." Most executives will be able to identify a list of accomplishments and to specify which were planned and unplanned (Finn, 1983). The realistic executive understands that accomplishments were directly related to the talents of various staff members as well as the executive's ability to capture opportunities which happened to emerge "during his/her watch." Conversely, some of his or her most important initiatives will not be recognized until they mature under their successor. At the same time, executives can identify their major disappointments where the effort required to reach an objective far exceeded the pay-off.

The delineation of a legacy serves several purposes. First, it provides the executive with the opportunity to make a final report including relevant data and/or recommendations. Second, it gives the organization an interpretation of recent history which may be useful for placing the executive's stewardship in a context (e.g., "the ship was steered by someone before the executive arrived and will be steered by someone after the executive departs"). It is, by definition, a personal accounting with obvious biases, but also it reflects the valuable perspectives of someone "high enough up the mountain" in order to see the breadth of the terrain, perspectives which are usually wider in scope but not necessarily deeper in understanding than most people inside or outside the organization.

Describing a legacy is also a public acknowledgment of shared efforts to improve the organization and effectively serve its clientele. These reflections may include the organization's financial health, service volume, key alliances, the quality of the management team, programs firmly planted in the structure of the organization, buildings built or renovated, or awards won.

Frequently, the departing executive may overstate achievements and organizational stability, in contrast to the perceptions of those remaining who may focus on what has been left undone. For example, in a workshop with a departing executive who had been in office for fifteen months and his top staff, his perception of his tenure included solid, stable accomplishments. The staff, in contrast, used metaphors of "balls in the air" along with considerable anxiety about which balls would drop during the transition and what new balls will be thrown in the air by the incoming executive. The departing executive emphasized the forces of continuity: the support of top management and the careful appointment of the successor, the continuing pressures in the marketplace, and the momentum of internal projects. However, those staff remaining felt vulnerable, as if the new executive would have a completely free hand to mandate change. Staff feared that a new leader would not be as skilled in negotiating with top management to gain support for key decisions.

Executives ponder many questions at the time of exit. A key concern is, "What will last after I leave?" The true test of successful legacy can be found in the continuing relationships and programs which endure and grow long after the executive has departed. If the investment in human capital has been substantial, then the nature of the executives's influence on the organization and its members should last long after one's departure. The impact of the influence will also be affected by the availability financial resources and the support of the staff and board members.

Successor

Contemplating a successor can be a significant challenge for the exiting executive. In some organizations, there is a tradition that the departing executive should avoid any involvement in selecting a successor (Levinson, 1974). In other organizations, the exiting executive is viewed as a consultant to advise superiors or board members with respect to promising prospects who might be able successors.

Sometimes, departing executives are so caught up in their own vision and accomplishments that they implicitly or explicitly define the role for a successor as an executor of existing goals and strategies, as if they were "leaders" and now the situation called for "management." There may be a tendency to encourage someone "just like me" to be the successor. Or, there may be a wish for the successor not to perform as well out of a fear of being outperformed. Yet with the increased rate of change, mature leaders acknowledge that their successors will need to reset the direction and appropriately make changes in the prior leader's strategy.

Regardless of the role which a departing executive may have in the succession process, leaders should be developing talent, either as possible successors or as management team members throughout the organization. Yet, it is striking how many executives have known that they will be leaving within a year or two and have not found a way either to focus on leadership succession or to expand the talent to help the organization cope with a change. Perhaps this challenge is unconsciously avoided because handling rivalries for the top job among insiders is very difficult (Kets de Vries, 1979; Vancil, 1987; O'Day, 1974). There may be a clear successor, a reality which may inhibit others from applying. If there are clear rivals, then the competition could be intense. If there is no clear successor, several managers might be interested but hold back in order to assess their chances. Alternatively, a strong person from the outside might be recruited as a potential successor which might allow for much more time for an orderly transition. This approach inevitably stirs up jealousies among the top team.

The successor issue is equally complicated when an able prospect currently works in the organization. Formal or informal sponsorship may be a help or a hindrance to a prospect. Depending on the organizational politics, some members may view the prospect with suspicion based on the perception that leadership succession is a foregone conclusion. Others may perceive the prospect as an "heir apparent" with the hope that continuity and stability will be maintained. Whatever the perceptions, the exiting executive is caught in the dilemma of grooming or damning an internal candidate for the top position in the organization.

Ideally, the executive should foster an open climate for staff to discuss their possible interests and to get some relatively candid feedback about how they are regarded as candidates for the top job. For example, significant external assignments for key internal candidates might let them test out their own readiness and give others the opportunity to reach judgments about their fitness for the top job. One public executive took the risk of telling her top staff of her intention to leave a year in advance, making a promise, "I will not leave abruptly. We will talk about it." This enabled the group to have a rich but difficult discussion about succession and the continuity of the strategy that had been guiding the agency. Participants disclosed their personal plans, with one individual taking the risk to indicate publicly her possible interest in the job. This enabled considerable planning, although many of the discussions were extremely difficult because of the emotions that leaving and succession stir up. Few organizations or leaders have the courage, or have created the climate in the top team, for the exit issues to be shared so far in advance. Yet lead time is critical to the development of sophisticated strategies to deal with the transition.

Capitalizing on the Lame Duck Period

When a leader has announced in advance that he or she is leaving, or knows it without communicating it, the agenda for that time period inevitably will be shaped by the sense of a deadline. The lame duck period may include a range of actions from slowing down to speeding up. The speeding up process may involve a flurry of activity as a way of denying the feelings that surround endings and/or as a way of compensating for all that one did not accomplish during one's tenure. Speeding up can also reflect an inability on the part of the executive to let go or give up control. Staff may collude, based on their interest, in completing a pet project before it can be influenced by a new leader. At the same time, there may be very good reasons to complete projects before departure. Completing particularly onerous tasks and "dirty work" may keep the successor from being unreasonably burdened with unpleasant unfinished business. Despite the risks of being a lame duck, it can be a useful time to refine organizational plans with key colleagues so that they, in turn, can envision time-lines that can shape their own career thinking and the ways they tackle specific projects.

One leader, realizing that she wanted to leave in the next year or two, announced her intentions at a staff retreat of her top managers. She then proceeded to review carefully their collective agenda to see how the deadline might affect their allocation of effort. Some issues had considerable time invested in them and would need to be finished prior to a leadership change. For example, the documentation needed to be completed regarding the non-performance of a few staff members in order to reach closure and avoid transferring a messy personnel matter to the new executive. Other activities, such as a major fundraising campaign, did not warrant considerable work because staff would not be able to get far enough with the issues, and the shift in leadership during the middle of the initiative would be damaging.

For agenda items that are particularly significant to the departing executive, he or she may want to take irreversible actions as a hedge against changes by a successor. For example, one public agency executive had worked for many years on plans to develop a replacement for a large detention facility for juveniles, carefully working out a more decentralized network of facilities as the replacement of the central facility. In this case, she wanted to be sure that the sites had been chosen, the design set, and the building program underway because of the realistic possibility that the decisions could come undone given community opposition to such facilities and cost consideration. While presumably irreversible actions may enhance the future viability of the organization, such actions may also have a negative impact on the organization.

Another activity that is valuable for an outgoing leader in reviewing the organization's agenda is to ensure that each issue has an advocate. Often, as a leader reviews his or her portfolio, there will be some issues that others have helped with but which are clearly the lead responsibility of the chief executive. In the former case, one can get the behind the scenes support to be more visible and to share more publicly the stewardship of the issue with the lead staff person so that it will be carried into the next tenure. On those issues that have been exclusively the executive's, one must quickly find a champion for the concern, or expect it to encounter difficulty in making it across the change of command. For example, a departing hospital executive reviewed with trustees his major responsibility for two capital projects and worked carefully to transfer the leadership on these initiatives to others.

In dealing with one's wider network, it is also useful to make lists of key relationships and those with whom it is most important to talk personally about one's departure and its meaning for them and for the institution. Just as in executive entry, where staff speculate about who is important by the sequence of contact made by the new executive, people attach importance to the sequence of "who heard it first" regarding the executive's departure and the resulting definition of an inner circle. Some people will require a special meeting, others a phone call or a letter. There may be a subset of individuals outside the organization requiring on-going communications since they are so valuable to the organization. The departing executive may wish to strategize ways to link the successor with these individuals.

Helping Remaining Staff Adjust

Inevitably, the executive's departure stirs up the thoughts of others about leaving. All too often, staff handle these thoughts by vicariously living through the experiences of the departing executive. In one organization with a tradition of high job security, most of the top staff were more interested in the next career move of their outgoing leader than in the changes that would be in store for them. In order to foster a more proactive posture among staff who remained, the executive involved a consultant in a staff retreat. Each staff member was asked to write a vivid scenario of his or her life a year or so hence, on the assumption that they had accepted an excellent job offer from outside the organization. In this way, each had to imagine leaving, reflect on his or her strengths and areas for improvement, how those might be viewed in other organizational settings, and different ways of creating opportunities to market themselves. Also, by thinking about leaving, they were in a better position to reflect on what they found particularly valuable in staying. "Resigning" and "re-signing up" are closely linked.

Managing the Actual Hand-Off

Once the actual date has been set, and a successor has been named, our experience suggests that a relatively short period (a month or two) for the two individuals to make the final transition works better than a prolonged "handoff." The potential for ambivalent feelings among individuals themselves and confusion among staff is too great when longer transition periods are used. Orienting the new or interim executive can be a key component of the transition process. There is a fine line between sharing objective data, such as budget information and upcoming deadlines, and subjective data regarding the exiting executive's views of staff potential or the leadership styles of supervisors or board members. Sharing too much can bias the new executive and sharing too little can hamper the success of the transition. This meeting with the departing executive can be a vehicle for linking the executive entry process with the inevitability of one's own future exit. Yet, people often do not meet with the predecessor or listen to their perspectives on the issues, fearing being "captured" by past perspectives.

Promoting Continuity

At the end of the exit process, most organizations use rituals such as farewell parties, speeches, gift-giving and picture-taking to mark the ending of a leadership phase. While exit rituals can be easily overlooked or forgotten during this critical period for organizational continuity, a skillful executive will usually play a role in orchestrating these events. These events provide the organization with a public opportunity for staff and others to demonstrate commitment to the purpose of the organization. They also recognize contributions made by the departing executive. The executive must carry out two functions simultaneously, namely receiving the best wishes of staff and others while at the same time reassuring all parties that the organization will continue to function effectively under new leadership.

The opportunity for the departing executive to make a speech and/or to send a written message to staff and others represents the final ritual of the exit process (Harris & Sutton, 1986). In this situation, the executive is able to cite the organization's strengths in the same way as during the executive entry phase. Such an approach clearly signals the importance of the organization's mission above the interests of any particular member or constituent. It is an opportunity for all parties to recognize publicly the organization's past, present, and future. At the same time, the departing executive is able to cite the accomplishments achieved through the teamwork of all present during the tenure of the executive. The goal of such recitation is for all concerned parties to share in the legacy, as well as pause to reflect on recent accomplishments which may have been apparent to some but not to others. It is also time to share a sense of togetherness and speculate on the nature of future leadership. Such ending events also enable all the participants to meet with each other and continue the business of organizational life (e.g., checking perceptions, making appointments, updating colleagues, etc.).

Though farewell events can be exhausting and/or exhilarating experiences for the departing executive, they represent the final leadership responsibility, as well as an opportunity to express appreciation for all the support received while serving in the executive role. As the executive reassures others that the transition to new leadership promises to go well, the executive is also reassuring himself or herself that the correct decision was made to leave the current post and move on to new challenges. As a result of thoughtful self-assessment, the executive is in a position to utilize successful endings as the foundation for new beginnings.

Digesting One's Own Learning

The decision to exit can be a lonely decision. For the family, it may involve moving a second career in a dual career household and/or uprooting children from schools and friendships. If the administrative tenure has been successful, the disappointment expressed by supportive colleagues can feel overwhelming.

The personal feelings of the departing executive range from self-doubt to anticipation. Self-doubt relates to feelings of abandoning colleagues and friends. Was it a good decision to leave? Was the timing right for me? Was it right for the organization? Am I letting people down? Am I creating undue hardship for my family? Have I left my office in good order for my successor? Was the decision to exit based on a growing dissatisfaction with the job? Do I really want such a major change at this point in my life? Can I really handle the challenges of the new job? How much am I pulled by the new job or pushed out of the old job? The questions keep coming as the executive seeks to handle the self-doubt and deal with anticipating a new work environment, establishing new relationships, and rebuilding a sense of leadership momentum in a different organization. The roller coaster of emotions can swing from incredible "highs" to immobilizing "lows."

One of the most profound areas of personal reaction and emotion relates to family relations. While not all exits require immense change for family and friends, there may be other significant personal challenges (e.g., divorce, mid-life transition, caring for aging parents, etc.). The timing of the executive's transition may not mesh with his or her children's stage in school or a spouse's career situation. The tension can be overwhelming as the executive seeks to relocate a family and a second career in a dual-career household. The emotional strain of uprooting children combined with the many farewells with family, friends and relatives can also be overwhelming.

Obviously, time is needed to sort out the lessons learned from one's tenure as an executive. It is also true that the process of ending one job and beginning another may not allow for sufficient time for reflection, insight, and integration of new learning. To some extent, the learning process is a daily or weekly phenomenon throughout the term of office. However, the ending phase may provide the opportunity to step back from the rush of ongoing events and reflect on both joyful and painful experiences. This sorting process helps to identify those factors which may have hindered success and hampered forward progress. For example, it is a real challenge to assess one's role in achieving organizational goals as well as determining how the executive's behavior or style contributed to roadblocks in achieving such goals. While it is easy to place the blame on others, it is not easy to identify new learning which can improve performance on the next job. Some of the most powerful learning experiences come from one-on-one discussions with staff where an executive can acquire feedback on his or her accomplishments and unfinished business.

Finally, when one is leaving because of a new, challenging opportunity, it is easy to flee into the new setting without dealing with one's emotions about leaving–disappointment, sadness, excitement, relief–and without digesting one's learning from this phase of one's career. Leadership changes, like remarriages, work much better when the dynamics of the first have been well-understood before rushing into the next. Often, an outside mentor or colleague can help best with this learning agenda.

CONCLUSION

We have identified some of the multiple perspectives held by those who remain and those who leave. We have identified several strategies for managing the voluntary exit of an executive and how others might assist in managing the transition. This important period of organizational life needs more research attention as executives and staff members reflect on the exit process and researchers probe for new knowledge about the organizational impact of executive exit.

If our culture is to sustain the turnover of key executives, we need to nurture a new orientation that helps executives and the organization's key stakeholders view the stewardship of the executive as time-limited. In so doing, we are able to be more attentive to the threads of continuity that are necessary for people to cope with the high levels of change.

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