

S2EP3

Speaker Key:

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TW	Ty Wiggins
JM	Joanne Martin
DM	David Mackay
DA	David Martin

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EL Welcome to Community College Australia season two podcast on governance and business management. I am Emma Lancaster. In this episode we are going to focus on CEO transition, how to manage your transition to CEO, implement your transition plan and lead an inherited team. The transition from one CEO to another is a critical moment in any organisation and in this episode you will hear from those who have done it before and done it successfully.

DM My name is David Mackay, I'm the CEO of Tuggerah Lakes Community College, known as TLK Community College on the central coast.

JM My name is Joanne Martin; I am the CEO of the Central Coast Community College.

DM David Martin, Western Riverina Community College.

EL We will also hear about how to deal with the ghosts of CEOs past, what you should focus on in your first three to six months and tips on how to deal with being in one of the loneliest positions in the organisation – Chief Executive Officer. So, how does a new CEO get off to a great start? First off we hear from Ty Wiggins, the Principal of Converge Consulting, an expert in leadership development. Ty is a sessional lecturer at Wollongong University, Sydney Business School and has just completed a thesis on the factors that promote and inhibit success in leadership transitions.

So Ty, does a CEO transition have to be painful? I know some CCA CEOs that I have spoken to have said that if it's not painful then you're asleep, what are your thoughts on this?

TW I don't think it has to be painful. I think the reality is for most it is painful. You know going to CEO is one of the significant leadership changes because it's one of the areas where you pick up multiple functions. So where if you go from a Finance Manager to a CFO you are staying with in the discipline. Going to CEO or General Manager now means you're responsible for all of the functions. There is just a lot to learn and there is a lot of changes that CEOs go through to be successful and change, in most cases, is uncomfortable as best.

EL It's a nice way of putting it. What do you think is the best way to manage a transition from old CEO to new CEO?

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TW In terms of how we transition from the old one out, it's difficult. You know in a lot of colleges I have experienced the parting CEO tends to stay around much longer than you would see in corporate, so that poses some challenges around who... The shift of power. So now that I am in charge with the old boss who has been for a number of years is still, does make it difficult. I think having a clear line of transition is important. This is the day, ideally getting the former CEO to be far less visible or out of the business is ideal and from the incoming CEO point of view, planning the first three to six months has proven to be a key promoter of success in terms of managing a CEO transition.

EL So what are the kind of key milestones or things that a CEO should be thinking about? They're a new CEO, they've got the first three to six months ahead of them, what should they be thinking?

TW One of the things they should be focussed on is that the first three months in a new role will be mostly based around learning the organisation and the people. It's not expected for many CEOs to make dramatic changes in that first three months, we refer to it often as discovery, decision and then action in terms of those three months' period. It takes some time to get around the history and the legacy of the organisation and the action that CEOs should be taking in those first three months should really be corrective only. If something's on fire, let's get to it and organise it, but let's not make wide sweeping changes.

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That being said, trying to identify some early wins is always valuable. What are the little things that are barriers to productivity or barriers to engagement that I can adjust or change? And thirdly having a consistent message, not dissimilar to a politician. What is the key theme or the key spiel for the first three months? What am I going to focus on, what am I going to do, what am I trying to do with the organisation is important.

EL So then what are some common blockers or inhibitors to success for a new CEO?

TW Not making the adjustment to the new role and sticking to some of the activities that have brought them success in the past is one of those. Every time you progress to a new level in the organisation some of the former strengths can become weaknesses and you have to adopt new behaviours and new skills in order to be successful. So if someone, as an example, if someone is a former accountant or CFO, relying on the number heavily and not the people interaction can be a bit of a downfall as people progress through the CEO.

EL Now do you have any suggestions when it comes to the best way to manage a CEO transition? Is there anything that you've learnt through your five years with CCA that you could share with others?

TW Challenges for college CEOs is really the relationship with the board and with the incumbent staff. So my suggestion would be, in the first three months, to spend good time with the board, getting clarity about what is expected from them.

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A change in CEO often changes the requirements or the direction of the college so getting clear on what that looks like from a board's perspective is very important. And then, working with the staff that have been there for some time, about engaging them in planning process, so that you can actually glean from them what they think should be done within the college in those first three months is really important. Because if you haven't got the support of the staff and the support of the board your chances of success are very low.

EL That kind of brings us nicely to the idea of leading an inherited team. Do you have any advice on how you do that and how you do it successfully?

TW Picking up an inherited team is a real challenge in all organisations. And the challenge varies depending on whether you've come from within that team, so are you now managing former peers or whether you've come in brand new and these are people that you don't know at all? There is the concept of the ghost which is the former CEO and how they did things and what the staff liked and didn't like, which, you know, can be brought to bear in terms of difficult conversations early. The difficult thing for CEOs especially is that you can't be successful without the right team.

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So in those first three months its normally expected the CEO will make assessments of the team both on skill and on attitude and try to work out is this the team that will enable me to do what I think needs to be done within this new role? A challenge within the colleges is you have some really long standing employees and then in some of the regional areas you have a smaller pool to recruit from. So being able to change the team is difficult. Spending time with them one on one, listening far more than you're talking in that early period, trying to understand what's really driving them and trying to engage them by allowing them to be, to offer suggestions in terms of what changes should be made, does help in terms of the inherited team.

Being CEO is often termed one of the loneliest positions in any organisation. It's very, very difficult because you don't know who to turn to and you don't know the agendas and the direction for a lot of people early in that transition, so find some support, be it internal or external, someone to bounce somethings off is very helpful. And understand that even though you are in charge, no one necessarily needs you to make dramatic changes or decisions straight away. It generally takes CEOs three to six months before they can actually just come up for air and go, okay, I think I understand what's going on here.

And it's not dissimilar in the college. Now if you have come from within the college you will have inevitably thought about things that you would change when you became CEO or if you were CEO. My warning there is do that cautiously and slowly because whenever you ascend to that next level you see that there are more factors at play. So coming in with a this is what I do when I am in charge can sometimes be very detrimental.

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EL Now it is time to hear from those at the coal face. Joanne Martin is a part time CEO, she leads the Central Coast Community College and has extensive

leadership, strategy development and governance experience. Prior to onboarding as CEO three years ago, she worked in a number of roles including in small business, director's roles and as a corporate executive in finance, water and both public and private sectors. She shares what it's like to transition to CEO from outside the sector.

JM I've been a CEO and at the college for nearly three years now and I think I am just starting to understand the business itself. So it has been a reasonably lengthy transition but I think that's about how long it takes to really understand the nature of the business, coming in from outside the industry.

EL So you came from outside, what was your background prior to that?

JM My background is finance but I have worked in HR and I have worked in IT and other corporate services. I didn't have an education background but I had been on the board of another training college previously so I definitely had an interest in lifelong learning and the community college sector was a real draw for me.

EL I guess you said you've had this, kind of, three-year transition in a way. I am not sure if you've been transitioning that whole time but I am keen for you to, kind of, explain to us, were there any promoters or enablers to the success that you had in your transition? So was there anything that happened or that you did in order to, kind of, have that smooth transition?

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JM CCA, being a member of Community Colleges Australia, our peak body, that was definitely an enabler and being able to network with other CEOs who were both new to the role and had been in the role, their roles for longer periods of time. But just getting the opportunity to talk to them and pick their brains and ask questions and, you know, understand that everyone had problems and it wasn't always smooth sailing, but learning from them, just the specific nature of the business was invaluable.

EL Were there any inhibitors or blockers to your success?

JM Having not been in vocational education before and not worked in vocational education, not being a trainer, not being an educator, I think it was an inhibitor but it also provided an opportunity to ask questions that people may not have ordinarily have asked if they had come from the sector or had experience in that industry. So I think there's pros and cons to everything but I think it was prohibitive because the language is very specific, the funding guidelines are really complex. The nature of the industry, the background, the history of the industry [is] quite extensive. So just not having exposure to that industry previously was probably a bigger gap than I originally envisaged it would be.

EL Are there things you think that the chair and the board can do of your organisation to help with that transition period?

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JM I think it depends on who your directors are. My board also had no educational, vocational education background or experience, so we were all on a steep learning curve. It was a new board and new CEO when I became CEO so it's difficult for

me to answer that question. If directors do have a background in vocational education, it could be a benefit, but again it could be a con. So I think the Board really just need to work with the CEO on the business aspects and the strategic thinking and direction and governance aspects as opposed to being operation. And I think your reliance on the team and the team that, you know, are in place when you start in your role are probably more critical than your Board. I think Board for the business process side of things and governance side of things. But from the operational side of things I think the team that you work with, when you start in the role, are the critical inputs for you as well as, like I said, if there's peers that you can engage with to get some of that higher level support and knowledge then I think that's a great pairing.

The Board, and it could be just my individual experience, but I think the Board probably, you are better off having them not so involved in the operational side of it. And giving your support more from the governance aspect.

EL I want to play a bit of a hypothetical and just say someone was taking over your role tomorrow, not that that's happening, but what advice would you give someone taking over your role and how would you encourage that successful transition?

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JM I did have an ex-Director say to me Jo, follow the funding. Make sure you understand the funding and I think you really need to understand the numbers in the business. And I do have a succession plan so the person who will take over my role, at some point, doesn't like numbers, and has a real blocker around numbers and is really scared of numbers, and I have been working with that person over, in my time, just encouraging them as well as all the other team members to understand the numbers in relation to what story it tells them about the business. So it's critical that people understand the underlying numbers.

EL Jo, are there any kind of final thoughts or pearls of wisdom that you could share on succeeding through a CEO transition?

JM Be patient. I am very impatient, I am very results oriented, I am quite driven and I think I expected to understand my business a lot sooner than I did. But I had a deliberate strategy for myself to not try and rush and just to give myself time to immerse myself in the business and really understand what was going on by listening to my team and engaging with peers. But it still did take me a little bit longer than I probably, initially thought. And when I say it has taken three years to transition, I am being a little bit liberal there. But I really feel like it's only now that I really understand the business. And it's been a fantastic learning journey for me and I think also for my team, to bring me along as well, with all their individual inputs has helped the whole team succeed and help us to be where we are today.

EL Now we are going to hear from David Mackay. He was appointed Chief Executive Officer of Tuggerah Lakes Community College in 2011.

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David brings with him a wealth of industry knowledge with over 20 years' experience in education and training management. His career has included both public and private sectors. You became a CEO in 2011. Can you cast your mind

back and can you recall, where there any promotors or enablers to success that occurred in your transition to CEO?

DM Well I was known to the Board and the staff of the college so that helped in establishing clear communication from the start. And I took with that an undertaking to understand clearly the full requirements of the role and what I needed to learn. Because in any role you can come well prepared but there's always gaps. So I had to try and find where those gaps were and do some speed learning as quickly as possible. And I held individual meetings with staff to listen to their views and what I was about and where the possible future directions may lie.

And then worked on gaining a clear picture of where the organisation was currently at and the direction it needed to go in. And that included culture, staff, job roles and working on a plan for any gaps. And I did get some support from the Board in this process and then it was about putting together a plan to move forward fairly quickly.

EL So then what were the inhibitors or were there any blockers for you? I guess you have had some time to reflect, about eight years, so yes, can you recall any?

DM Well I think at that time the organisation was going through a lot of change, the environment was changing, funding models were changing, so one of the inhibitors was that the organisation itself may not have been as ready as it could have been.

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And there was a need to look at systems and processes and right staff and right job. So transitioning that part of the organisation was, in itself, an inhibitor because you needed to get on top of what the job required but also recognise there was a need to change in terms of how we did things, our systems and processes, even our policies and procedures.

EL And is there any advice then for how you did that? How you, kind of, met that challenge?

DM Well I think it was about doing a lot of listening initially and reviewing our current system, so working and how we can move to a stronger team approach where staff had ownership and responsibility for roles. And basically moving to a more empowered workplace.

EL Is there anything you'd do differently if you had this transition again?

DM Well, I think if I was doing this transition again I would try to improve organisation systems sooner, if I could and look for a business confidante, preferably in a similar role, much earlier. Because that would assist me in terms of perhaps industrial aspects of the role and working through and looking at best practice systems and models that we could look at applying to.

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And also not being afraid to spend a little bit or invest in expertise, including even tender writers, tender writers if you are going for contracts or looking for funding, because you can be trying to do too much at once, when you first start.

EL Finally joining us today is David Martin. His transition to CEO of the Riverina Community College occurred almost 15 years ago and, to begin with, it was a bit of a bumpy ride. Here he is talking about his experience and what he has learnt along the way.

DA I guess that I'd walked into an organisation where it had been, for amount of, I guess, trauma, being close to poverty, being insolvent and the Board who were there at the time had actually, probably worked really hard in terms of turning things around and there was a thought that there was more money than there actually was, and fines to the tax department for not paying certain things. So it was kind of like a bit of a rocky start and I was the seventh organisational head, managerial head in seven years. And so that created some nervousness from the funding bodies as well. And so there was a real lack of continuity ultimately and there were quite a few underdeveloped systems and work practices that were pretty antiquated. So you could kind of say that I walked into, as somewhat of a founder of a new organisation because it was sort of like the new organisation had been set up by the hard work of the board in terms of improving policy procedures.

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But in terms of that day to day management the organisation, kind of, had to be reborn. And so I guess that I spent a lot of time in terms of improving practices. And I have to say that there were, essentially, two full time positions in the College in those days and I think there is like 16 permanent positions in the college, close to 15 years later.

EL What advice would you give then, to someone taking over your role tomorrow, on how to successfully transition? What advice would you give them?

DA Can I start at the Board?

EL Yes.

DA So I think Boards, in not-for-profit organisations, sometimes act with expedience and its, kind of, like oh, no the CEO has departed, we need to do something fast. And then they advertise for a job and then they appoint a person, and it may not always be the right person. Instead of perhaps waiting and maybe there is a period of time, waiting for that right person to emerge or if it's not quite right, you know, if it doesn't feel right it's probably not the right person to employ. And, as opposed to just making an expedient decision, to say we're going to put a new CEO in there, and that could be... And I have seen it a number of times where there's been disastrous results because of expedient decision making.

So, if I am hit by a bus tomorrow, I have implemented structures and distributed leadership in a way that people can do their work. They're empowered to do their work but there is still a leadership group within that and you could appoint any of those leadership within that group as an interim CEO who could do the day to day activity and be well enough connected to the rest of the Community College sector, that if they are hit with something with they don't know, that they could find out.

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So I think, from that perspective, from a Board perspective, I think don't rush it, make sure you get the right person and if the feel isn't right then it probably isn't.

You know, go with your gut. The Richard Giordi felt-sense is probably pretty right. So, for the new person coming in, understanding for a new CEO working into a community college is understand the culture, get to know it. And I think, you know, there's some management theory that would talk about other things, about changing things around and as soon as you get there and put your stamp on things, which are lots of different ways you can do that. But, you know, if you've got this culture that's working towards it, and the culture is really positive, why change it?

EL This series is produced for Community Colleges Australia by Heaps Good Media, engineered by Miles Martignoni and produced and presented by me, Emma Lancaster. Next time on the Community Colleges Australia podcast we look at strategic planning, why clarity is so important and how to engage your board in the strategic planning process. This podcast has been made with funding from the New South Wales Department of Industry to assist the leadership capabilities of adult and community education organisations. You can find the full list of episodes for season two on governance and business management at cca.edu.au and while you are there don't forget to check out our first season podcast that's all about the ins and outs of corporate governance, made specifically for the adult education sector. Thanks for listening.