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# Get Social: A Mandate for New CEOs

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# Get Social: A Mandate for New CEOs

New CEOs have scant time to communicate their vision, meet with stakeholders, establish their credibility, connect with staff, gain insight into operations and also lead. Based on interviews with new CEOs in several industries, Leslie Gaines-Ross, Chief Reputation Strategist at the PR company Weber Shandwick, argues that social tools can be extremely useful to new CEOs during their first 100 days.

BY LESLIE GAINES-ROSS

**W**hen Mark Reuss left General Motors in Australia in 2009 to run GM's operations in North America, the automotive giant had filed for bankruptcy, shed its Pontiac, Saturn, Hummer and Saab brands and was planning to eliminate more than 2,000 U.S. dealerships at year's end.

His first 100 days as president, Reuss realized, would be difficult. "There was a huge problem with our dealer network," he says. Reuss found himself using Facebook extensively: "I communicated in that time frame with just about every dealership that wanted to — and I still do, actually — through a 'get to know you' messaging part of Facebook. I created a safe environment for them to talk to me, rather than through a corporate e-mail."

By reaching out on Facebook, Reuss cultivated a network of trust among dealers. His message was perceived as credible because he made himself accessible and was willing to engage others authentically and with a "human face," even though the substance of what he had to say and hear was often hard to take. As he says:

*No matter what happened, they knew that I was listening and that they had an audience and someone to talk to in the company and they could do it instantly. So it was hugely powerful. And if you look at how we got through that period and the dealers that we have and the trust that I have built with a lot of the dealers, it's because of that conversation on Facebook. And so no one was treated unfairly. It's hard to put metrics on that, but I can tell you that our brand reputation has risen dramatically, and I think our use of social media is one of the big reasons why.*

## Traditionally Speaking

Traditionally, CEOs communicate through e-mail, memos and Q&As. They walk the halls, attend town hall meetings and issue press releases. They also publish earnings calls, conduct face-to-face meetings and cascade information down through the ranks. Many CEOs even obsess about being quoted in major news and business publications. These activities remain helpful in establishing a new CEO, but as Mark Reuss (on Twitter as @GMdudeinNA) has shown, in this wired age, leadership tools are greatly enriched when social media is added to the mix.

Having counseled new CEOs, I can confirm that far too many CEOs see social media as another marketing tool without recognizing its value as a highly potent way to lead. Social media is invaluable because it is a two-way medium that allows a CEO to engage large numbers very quickly while employing many of the characteristics of one-on-one conversations. New CEOs, however, seem to be largely unaware of its utility. According to Weber Shandwick's recent *Socializing Your CEO II* research [see <http://bit.ly/W1NdhI>], newer CEOs are less likely than their more seasoned peers to lead through social media. Only 48% of newer CEOs do so, compared to 79% of those in office longer. This should not be the case.

## The Honeymoon Squeeze

The first months of a CEO's tenure tend to be dominated by overscheduled calendars, travel to multiple time zones and 24/7 work weeks. Making matters worse, technology now permeates every aspect of business, speeding up communications and business transactions. Boards are showing less patience, and employees, customers and investors now provide one-minute performance reviews on online sites such as [glassdoor.com](http://glassdoor.com). For these reasons, the learning curve for new leaders, according to Booz & Company, is becoming increasingly "compressed."<sup>1</sup> The new CEO must do all he or she can as fast as possible to establish his or her reputation and legitimacy.

Time pressures such as these create a "honeymoon squeeze" during the first 100 days that poses considerable risk to new CEOs if they cannot meet its demands. In a survey of 263 CEO transitions in 35 countries, FTI Consulting found that nearly 40% of investors would sell stock if they questioned the reputation of a newly installed CEO.<sup>2</sup>

Social media provides a powerful means to manage the honeymoon squeeze, allowing new CEOs to reach more people more quickly than would be possible by personally traveling to far-flung markets. "When I first became CEO," says Linda Hudson, the chief executive of BAE Systems, the British global defense and security company, "I felt an internal blog would be an ideal, manageable means for not just sharing information with our nearly 40,000 employees, but also for getting their input, feedback and buy-in. The time investment in my blog, Linda's Look, may have been minimal, but the employee response was tremendous and immediate. The blog proved an important tool for helping employees better understand my values and convictions as a leader who was new to the organization."

Being social can help get more done in the face of the ticking clock. "The brevity of a tweet forces us to be clear and concise. I could do 20 tweets in the time it takes me to listen to or read the average voice- or e-mail," says chairman and CEO Mark Bertolini (@mtbert) of major health care benefits company Aetna. Or, as Chad Dickerson (@chad-dickerson), CEO of Etsy, the popular online marketplace for handmade and vintage goods, says: "I think every CEO is spending a lot of time at airports and sitting on planes, waiting for planes to take off and sitting in cars, going between meetings. Social media interactions that I have during these periods make me feel like instead of wasting my time, I'm maximizing my time."

## Lift the Veil of Uncertainty

New CEOs are unknown quantities, whether they are company insiders or outsiders. Employees, senior managers, customers, investors and others begin reading the new CEO's behavior in an at-

tempt to evaluate him or her and determine when, where and how the company will change. As long as this uncertainty remains in place, the company will suffer a partial paralysis in decision making as people await guidance and wonder where they fit in. The sooner the new CEO brings people together around shared priorities, setting an agenda and building confidence in his or her leadership, the better. Social tools are an important asset to advance these goals.

Shortly after becoming CEO of MassMutual, Roger Crandall arrived at the company's most highly attended sales conference for its insurance business. When an employee approached the new CEO to ask if she might use her Flip cam to record him during the conference and post it on MassMutual's intranet, Crandall did not hesitate. The resulting video, billed as "A Week in the Life," was available for the entire company to watch in real time, unvarnished. What was it like for a newly minted CEO to make himself so naturally visible, especially in a regulated industry not known for risk taking? Crandall says, "It was great to create a personal connection in a way that traditional communications could never provide. At first, it took some getting used to, but we got a great reaction here in the home office, and I was able to share who I was and what to expect from me in the future." Through real-time communications, Crandall created a personal connection with his company that greatly enhanced traditional communications.

### Employees First?

One of the more steadfast maxims for new CEOs has been to put one's own house in order prior to venturing elsewhere. Implicit in this tenet is the assumption that attending to stakeholders other than employees necessarily means giving employees short shrift. No longer true. Dickerson's first keynote address at a Hello Etsy conference in Berlin was simulcast on Livestream to local gatherings and markets across the U.S. encompassing the entire Etsy community, not just employees. Just as Roger Crandall had done, Dickerson allowed himself to be openly viewed in real time. In this very

social way, he earned the confidence of employees, customers and others all at the same time. Because social media enables concurrent connections with so many, a new CEO can now address others without ignoring his or her workforce. In a sense, all stakeholders can now be put "first."

### Get Grounded Fast

New CEOs, particularly insider CEOs who are the norm today, must quickly counter the feeling that they are severed from the day-to-day workings of the company. Instead of using their expert skills in finance, operations or sales, some new CEOs may find themselves confronted with less defined tasks such as communications, marketing, investor relations and human resources. Hands-on control becomes all but impossible as responsibilities quickly mount. Use of social media helps to re-establish, if not the reality of direct control, at least a better feel for what goes on at the front lines of the company.

**Listen** Social media's value as a listening platform is what first caused Best Buy Canada's president and chief operating officer Mike Pratt (@BBYCPresident) to become a social media convert. He initially was reluctant to use social media but changed his mind once he realized that through it he was able to learn so much from his employees and customers: "I began to recognize social's value as a listening platform when I was able to actually gain insights in how our customers think and how our employees feel about our brands."

The newly positioned CEO who is a good social listener can now get unfiltered information directly without affronting intermediaries. In this way, a new CEO remains continuously in touch with the heartbeat of the organization and is able to draw his or her own diagnosis of what next steps need be taken and what threats might be lurking.

Social listening need not be a major production. New CEOs might set up Google or Bing alerts that arrive automatically in their in-boxes detailing online references to themselves, their companies, competitors and others. A CEO might monitor

Twitter, Facebook and LinkedIn or ask for regular reports on what customers are saying about the company online. These listening tools can be effective, inexpensive and relatively low-key first steps for getting one's feet wet in the social universe and gathering business intelligence. Yet they yield substantial return by connecting the new CEO to the online business stream.

**Make it personal** Speaking of his Hello Etsy keynote simulcast on Livestream, CEO Dickerson notes, "I told stories about myself, about times that I'd been afraid to do things in my life. And I did them anyway and they worked out really well." Dickerson regularly searches on Twitter for references such as "first sale" and "Etsy" in order to discover first-time Etsy sellers. He then retweets each seller to celebrate the milestone in what is typically an unexpected direct connection with each of them. In this way, Dickerson is upfront and personal.

Adding a "human face" to corporate messaging like this amplifies its impact. This point is reinforced by Best Buy Canada's Pratt, who often attaches Twitvids, or short videos, to his regular tweets about his travels, customer meetings, personal life and new product introductions. "Primarily, I think there's a credibility factor that's important to acknowledge around social media," says Pratt. "It's engaging authentically with employees and our customers that counts. There's no hiding."

Moreover, because a social message is conversational rather than directive, unlike many memos handed down from above, it enhances and deepens the "fidelity" of the CEO's message. It becomes the perfect vehicle for a new CEO to ingrain in the corporate culture a call to action and to make clear to the workforce what matters now that he or she is in charge. Aetna's Bertolini sees it this way: "Social media is a much better brand reinforcer when you keep the conversation going than if you're only out there episodically. The fidelity of the brand, both personally and professionally, can be much more powerful if you reinforce it constantly and continuously through social media."

**Repeat** Social media's conversational nature is also particularly amenable to reiterating a CEO's message. When a new CEO establishes a theme and declares what matters — a crucial requirement of the first 100 days — he or she must then repeat it over and over again, continually. Social media is the perfect means of doing just that, since the CEO's message can be contained in multiple interchanges with various different individuals but nevertheless available to the entire company to read, view or share.

### **Risky Business? Not So Much**

Despite wider use of social media among consumers and in many businesses, concerns about committing to social platforms remain entrenched at the top. Some say that the return on investment is difficult to measure, or that social media is too time consuming and too loose. Its spontaneity and casualness is believed to encourage statements and disclosures that executives will regret later on, especially in heavily regulated industries. For the most part, CEOs who have actually used social media say these concerns are exaggerated. Others say it is not without risk.

No doubt that a new CEO needs to watch what he or she says online, just as any CEO has to be careful using any form of communication. Matt Flannery, the co-founder and CEO of micro-lender Kiva (@mattflannery), recalled in an interview about becoming more careful after a trip to Latin America. He tweeted about dinner with a former prime minister and unexpectedly stirred up criticism from local NGOs. Finnish mobile phone giant Nokia's new CEO, Stephen Elop, caused a feeding frenzy in February 2011 when his 1,200-word internal blog post about the company standing on a "burning platform" was leaked prior to his address to investors. In particular, legal and regulatory constraints have to be carefully navigated to avoid disclosing material information that could impact capital markets, such as recent events have shown at Netflix when the CEO's Facebook post prompted a SEC investigation.<sup>3</sup> Watching what is said takes practice and training, no matter what communication platform is used or how long someone has been on the job.

SOCIAL MEDIA is no longer the wave of the future. It is already a state-of-the-art leadership tool that surpasses many traditional approaches to listening and communicating with stakeholders. For this reason, new CEOs would be wise to heed the example of one of the youngest among them, 37-year-old Yahoo CEO Marissa Mayer (@marissamayer), who, unlike most new CEOs, did not hesitate to employ social media immediately upon taking the helm. During her first weeks, she tweeted up a storm, with tweets not only confirming her appointment as chief executive but also proudly displaying her newborn's first Halloween party. She even crowdsourced suggestions as to possible names for her son. Perhaps not every new CEO can be (or should try to be) a Marissa Mayer, but make no mistake about it, a new CEO who ignores social media nowadays does so at considerable peril.

**Leslie Gaines-Ross** is a chief reputation strategist at Weber Shandwick and author of *CEO Capital: A Guide to Building CEO Reputation and Company Success* (2003, Wiley).

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