The CEO Who Couldn’t Keep His Foot Out of His Mouth

Four years into the job, a top executive has revitalized his company’s financial performance. But his verbal gaffes threaten to ruin staff morale, alienate customers, and drag down the firm’s share price. Is it time for him to go?

By Lisa Burrell

“Here’s where the one-year-olds hang out,” said Evan Breyer, the chairman and founder of Growing Places, ushering the small tour group into the Infant 2 room. He couldn’t remember the last time he’d helped with a tour at the child care company’s flagship facility. Probably not since he’d opened it seven years ago. This was a special case, though—he needed to be on hand to meet some important guests. Besides, he always got a kick out of seeing the children.

Judy Snow, the vice president of corporate affairs, led everyone inside. Four kids decked out in big, sloppy art shirts, elbow deep in shaving cream, were seated along the outer curve of a cashew-shaped table. They smeared and slapped at the mess in front of them.

“That’s one of our sensory stations,” Judy said. “As you can see, it’s a hit.”

The other three children in the room were digging through a large toy chest and stockpiling choice pieces of loot. Elmo dolls of all sizes figured heavily in the mix. Judy gestured toward a shelf holding tubs of Cheerios, raisins, and Goldfish crackers, joking to the tour group, “Anyone want a snack?”

In response to this apparently general invitation, a little girl dropped the maracas she’d been clutching and toddled over to the food. The teacher closest to the bins dipped into the raisins with a Dixie cup and said, “Okay, Ada, but just a few.”

Judy chuckled and continued with her spiel about activities that develop fine motor skills. After they finished up in Infant 2, Evan thought, they should peek in on the babies—a sweet note to end the tour on—before meeting up with Rob Miranda, the CEO, for lunch.

Evan had asked Judy to arrange this walkabout to woo a potential sponsor for a new program. The board of Growing Places wanted the company to provide scholarships for kids whose families demonstrated financial need, and a corporate sponsor seemed like the perfect way to pay for the scholarships. Of the companies considered, the most promising turned out to be Thrivand, a maker of infant formulas, cereals, and beginners’ foods. The board hoped to offer scholarships at a number of the company’s day care facilities to start with and then, if the sponsor was pleased with the good press, extend the program to the other centers.
Delores Dayton, head of PR at Thrivand, had seemed enthusiastic about the idea; she’d agreed to fly with a few of her colleagues to Dublin, Ohio, to see Growing Places’ flagship facility and talk over the possibilities. Judy had asked Evan if she could invite a local reporter to tag along for the tour. The reporter had been calling her because he was working on a piece about child care in the community. “Sure,” Evan had said. “Let’s make it a twofer.” He’d heard that Delores was incredibly warm. She could probably be counted on to coo over the little ones and ask nice questions. She’d set a pleasant tone for the coverage.

Delores did her job nicely. She fell in love with every child she met, even the rowdy preschoolers. When the group stepped into the Infant 1 room for a minute to say hello to the babies, Delores put a hand to her chest.

Evan laughed. “Sorry,” he said. “We can’t let you take any of them home.”

“You don’t know how much of a pleasure this is for me,” she said. “I spend all my time talking about what’s good for children, but I don’t get to spend time with them. My own are all grown up!”

As the group headed upstairs to the corporate offices, where they had left their things, Evan heard Rob’s voice in the hallway. Good, he thought. After the reporter left, they could all head to lunch together.

Evan led the way into his office, which he had kept after Rob had succeeded him as CEO four years ago and Evan had scaled back his role. He scooped up the coats that were slung on the back of his desk chair.

“What’d you think?” Rob blurted as he burst into Evan’s office not 30 seconds later. As everyone turned toward the door, Evan took the opportunity to swipe some dust off his desk with his sleeve. He didn’t spend a lot of time there, but it was starting to look as though he’d have to come in more often, given the additional supervision Rob had seemed to require lately.

“It was lovely,” Delores said.

“What was lovely about it?” Rob wanted to know. He smiled a little, but his tone wasn’t light. He wanted specifics, so he asked for them. That was his style.

Delores graciously complied. “The teachers—where did you find them? They’re so seasoned. I expected to meet a bunch of kids right out of high school. There were a few, but most of your staff seem quite experienced.”

“We pay them,” Rob said simply. “What else?”

Evan wished Rob would tone it down a little, but he knew that
probably wouldn’t happen. Although Rob generated great ideas and had a gift for putting them in motion—the company had him to thank for its recent rapid growth—he didn’t give two hoots about diplomacy. In fact, he took a certain amount of pride in his no-nonsense approach to business and the success it had brought him in a touchy-feely industry.

“The lactation rooms Judy told us about are a stroke of brilliance,” Delores added, willing enough, at this point, to heap on the praise. She was right, too—they were one of Rob’s many ideas that had paid off. Growing Places provided mostly on-site child care and preschool classes for 60 companies in the midwestern United States. At each center, the children’s parents worked right next door, and Rob had spent time drumming up ways to capitalize on their proximity. Since women who breastfeed often have a hard time keeping up with it after they return from maternity leave, Rob had figured they would appreciate a convenient place to nurse their babies during breaks in the workday. The lactation rooms had been a huge draw—instrumental in winning over many parents who’d considered hiring a nanny or choosing a day care center closer to home—and the host companies were thrilled to have such an attractive perk to add to their recruitment tools.

“The moms do like them,” Rob said. “What gets me, though, is how long some of these kids nurse. If they’re old enough to ask for a Coke, it’s time to move on.”

You’ve got to be kidding, Evan thought. Delores had tossed Rob a softball—why’d he have to go and say something like that?

Delores didn’t appear to take offense, however. She patted her coat pocket for her car keys and said, “You guys want a ride to the restaurant? I can bring you back here on my way to the hotel.”

“That’d be great,” Evan said, relieved. “I thought we’d go to LaScala. Want me to sit in front and help you navigate? The access roads can be tricky.” If Rob sat in the backseat, Evan thought, maybe he’d keep his mouth shut. Rob, giving his knuckles a quick, loud crack, looked oblivious. He probably had no idea how lucky he was that Delores hadn’t reacted to his remark.

If Rob sat in the backseat, Evan thought, maybe he’d keep his mouth shut. Rob, giving his knuckles a quick, loud crack, looked oblivious.

The reporter stood by the door, quietly scribbling.

It’s Cleanup Time!

The next morning, Evan decided to brave the rush-hour trip into headquarters for the second day in a row. Although Rob seemed to have fared well with Delores—the lunch and the good-byes went fine—Evan thought there could still be some fallout. He was right. When he arrived at his office, Judy was waiting outside his door.
“Hey, Evan. Sorry to pester you first thing,” she said. “I couldn’t reach Rob.”

“What’s up? Did Delores back out?”

“Nope. But the Sentinel ran a raging editorial on Rob’s nursing comment.”

“Oh,” Evan said. “The reporter.”

“The quote’s accurate, as Delores would attest, so there’s certainly no denying it. But we should still be okay. I mean, bad coverage in the Sentinel isn’t exactly the end of the world, as long as it doesn’t spread. I’ve made an appointment to meet with the editor in chief to try to contain the damage.”

“In case there is some sort of uproar, PR should prepare a public statement of apology.”

“We’re already on it.”

“I think you’re right,” Evan said. “It could be worse. The board will be annoyed, but we can deal with this.”

After Judy left, Evan headed outside for a quick walk around the block to clear his head. He thought back to when the board, at his urging, had brought in Rob to infuse the business with some fresh thinking and to shake things up a bit. During the company’s first few years, when Evan himself was CEO, Growing Places had struggled just to break even. Of course, it wasn’t his fault entirely: Child care was a tough field, and only the most innovative companies turned even a modest profit. In the end, the board agreed with Evan that Growing Places needed a leader who wasn’t born and bred in the industry—someone who had a different perspective on the challenges the company faced and could find creative ways to generate profitable growth.

During the search, Rob immediately distinguished himself as an attractive, though unlikely, candidate. For nearly ten years, he had been the president of a small insurance company. When he first had taken charge there, the company had been stable but unimpressive; by the end of his tenure, it had grown dramatically. His tack had been to focus and then refocus the company’s objectives, always targeting a new goal—reducing whole-life underwriting losses, for instance, or boosting sales of disability policies—before he’d worked the previous one to the bone.

Rob was experimental, a little restless, and an entrepreneur at heart, never happier than when six or eight pots were cooking at once, all at different temperatures. He’d seemed to be the kind of leader Growing Places needed to pull ahead in a field where high accreditation standards meant that most companies worth their salt did things more or less the same way. To the board’s delight, Rob had turned out to be a veritable font of ideas.
For starters, he’d suggested, why not carve out a niche and provide on-site care for client companies? It hadn’t occurred to the board before, but why not, indeed? To recruit and retain star talent, more and more companies in major cities on the East and West coasts were contracting with on-site child care providers. It would take some effort to persuade large companies in the Midwest to do the same, but this was a rare opportunity to stand out among competitors. With that critical change in strategy, Growing Places had expanded over the past four years from six freestanding, garden-variety facilities in Ohio to ten times that number of on-site facilities at companies and universities in five states.

Rob also had a knack for knowing which services his clients really wanted. For example, although market research had indicated, at best, lukewarm interest in Webcams, which allow parents to “visit” their kids over the Internet without leaving their desks, Rob had insisted that Growing Places offer the service. It turned out that more than half of Growing Places’ customers were willing to pay $50 a month for something that cost the company next to nothing to provide.

Even before Rob was hired, though, Evan and the rest of the board had been well aware that Rob’s entrepreneurial vision came with an abrasive personality and some disregard for social convention. They’d expected him to cross a line or two—and Rob had delivered. His comment at the end of the tour certainly wasn’t his first verbal gaffe; in fact, it echoed earlier remarks he’d made to staff members. For example, when a few senior managers had questioned the wisdom of considering Thrivand as a sponsor because of its aggressive marketing of infant formulas—one of them had asked, “Why associate our brand with a practice that’s detrimental to mother and child?”—Rob told them to get over themselves and leave the propaganda at home.

Evan and the rest of the board had been well aware that Rob's entrepreneurial vision came with an abrasive personality and some disregard for social convention.

And then there was his comment about lesbian adoptions. Evan felt his shoulders tense up as he recalled the incident. At a recent staff retreat, managers had talked about ways to make sure that adopted children and the children of gay parents didn’t feel different from their classmates. Rob stopped the discussion cold: “The point’ll be moot if China follows through on its adoption policy and keeps lesbian couples from snapping up its girl babies.” Could he be serious? Maybe it was a joke—but no one was laughing.

After that meeting, Evan had told Rob that he needed to find a coach to help him with his emotional intelligence. Rob had laughed but did begin seeing a coach recommended by Growing Places’ HR chief. Evan wondered, given recent events, how much progress Rob was making and whether he’d even agree to issue a company apology if his breastfeeding comment got more press.
Choosing Rob had been a calculated risk, Evan thought as he rounded the third corner of the block—and so far, it had paid off. But had Rob crossed one line too many?

If You Don’t Have Something Nice to Say…

Evan had agreed to get together with Alex Horowitz, a friend and fellow board member, at a high school gymnastics meet, where Alex’s daughter would be competing. It’d been ten days since the Sentinel story had come out. Both men had been booked for most of the previous week, and they really wanted to talk in person. This was the only way they could squeeze in a conversation before the board meeting.

Evan pulled into the parking lot of Dublin South High School, right behind the visiting team’s bus. He hoped Alex was there already; maybe they could talk before the meet began. But when he made his way into the gym, he couldn’t find Alex. He climbed to the top of the metal bleachers to a spot where he could get some perspective on the scene.

If Rob had managed to stay out of trouble after the nursing bloop, Evan wouldn’t have needed to meet with Alex. Yet, even knowing he was on notice, Rob had done it again. At an early childhood education conference a few days after the visit from the Thrivand group, he had given a spirited keynote address on the importance of student-centered preschool curricula. Afterward, he’d fielded questions. A teacher in the audience who’d identified herself as one of Growing Places’ own had commented that highly customized instruction was great to strive for but not always possible to implement.

Rob’s response? “If you all got off your rear ends and did a little prep work, there wouldn’t be a problem. Grade school teachers do it all the time; pre-K shouldn’t be any different. I’m not saying it’s all on you, of course. Administrators need to pony up, too, and provide some guidelines.” He’d said it with a wink and a smile, thinking, Evan supposed, that a spoonful of sugar would help the medicine go down. Of course, that’s not how it had worked out.

The Growing Places employees who had attended the conference had been outraged by Rob’s suggestion that they weren’t pulling their weight. The ones with a lot of experience were especially irked. They didn’t just teach; they nurtured. And they used lesson plans that had worked wonderfully for years. How could Rob call them unprepared? Besides, the idea of developing a curriculum based on companywide guidelines—even if it was customizable—grated on many teachers. As child care professionals, they should be trusted to improvise and cater to the mix of children in each class.

In a matter of days, about 50 teachers, most of them highly experienced, threatened to quit. On top of that, a newswire reporter
had been at the conference, so the story spread to media outlets across the United States in no time. Online columnists and bloggers had chimed in with headlines like “Kiddie Care Exec Demands Top Quality from His Sweatshop Team.”

Evan recalled that Rob had come to the company not just to spur growth but also to whip operations into shape. Evan had to admit that, under his own leadership, an incredible amount of time was consumed by staff meetings where employees were given a chance to voice their gripes. Rob had put an end to the gripe sessions. As he was fond of saying, “I can’t deal with people whose feelings bruise so easily. Are we grown-ups or babies who need coddling?” He argued that the time would be better spent improving the delivery of service. Developing a curriculum that could be used across the organization was Rob’s latest initiative in this vein.

Rob had put an end to the gripe sessions. As he was fond of saying, “I can’t deal with people whose feelings bruise so easily. Are we grown-ups or babies who need coddling?”

Evan’s thoughts were interrupted by the sight of a sullen girl wheeling out a balance beam. Gymnasts started to filter in, with nylon bags slung over their shoulders. As Alex came through the double doors with his daughter, Evan caught his attention with a wave. Alex gave his daughter a quick kiss on the head and started his ascent. Evan smiled as he watched his friend huff his way to the top of the bleachers.

“So what’s going on, besides the obvious?” Evan asked when Alex plopped down beside him.

“The board members have been informally caucusing,” Alex said. “Some of them are talking ouster, and Gwen’s adding an ‘external relations’ agenda item for the meeting Thursday.”

Gwen Larson was a big shareholder. Evan had known that she, among others, would be keen to pounce; the stock price had already taken a meaningful dip since the press coverage of Rob’s recent comments had kicked in.

“External relations.” Evan shook his head. “I hope Rob has the good sense to leave the room and let other people defend him.”

“There are several who will,” Alex said. “The board’s divided. Half are saying we owe every ounce of our success to Rob, we’d be stupid not to take the long view, the stock’ll bounce back, there wouldn’t even be a stock price if it weren’t for him—that kind of thing. The others are fed up with his loose-cannon crap, and as much as I hate to say it, I can see their point. If we’re getting bad press and our stock is on its way down, the last thing we need is Rob’s brand of ‘straight shooting.’ He doesn’t exactly have a history of making nice. What’s to say he’ll start now?”

Good point, Evan had to admit. Actually, with his hackles up, Rob
could get even more outspoken. Evan thanked his friend for the heads-up and, before the gymnastics meet got ramped up, threaded himself through the assembling crowd.

On his way home, Evan remembered the company’s early days, when each quarter seemed as though it might be the last. Rob had come along at just the right moment, but was his time up? Both Growing Places and its client companies felt the consequences when Rob stuck his foot in it. The clients got angry, of course, because PR gaffes compromised the employee-recruitment power Growing Places was supposed to confer in the first place. And many of the offended teachers would walk unless Rob ate his words. Evan was not going to hold his breath for that.

Everyone on the board respected Evan and trusted his strategic judgment. They’d have their say at the meeting, but, ultimately, they’d follow his lead.

HBR Case Commentary

Should Evan try to persuade the board to hang on to Rob, or should he back an ouster for the innovative but abrasive CEO?

Four commentators offer expert advice.

Ronald A. Heifetz (heifetz@cambridge-leadership.com) is the King Hussein Bin Talal Lecturer in Public Leadership at Harvard University’s John F. Kennedy School of Government in Cambridge, Massachusetts, the cofounder of the school’s Center for Public Leadership, and a principal at Cambridge Leadership Associates. He is the coauthor of “The Work of Leadership” (HBR January–February 1997) and “A Survival Guide for Leaders” (HBR June 2002).

Rob Miranda’s case isn’t all that unusual. If most managers didn’t bring a mixed bag of strengths and weaknesses to their jobs, the entire coaching profession would go out of business.

The first step in resolving the situation is to determine if Rob has the capacity to reflect on his weaknesses. This assessment may involve some trial and error: While one coach or colleague may conclude that Rob will never admit to a problem, another may be able to get through Rob’s defenses and help him see that there’s work to be done.

If it becomes clear that Rob can get past this threshold of self-reflection, there are a number of possible approaches—all of which are about more than just changing Rob’s behavior. My experience is that all first-rate executives in business or politics need a constellation of trusted partners—formal and informal, members of the top team or outsiders—who can complement their strengths and compensate for their weaknesses. In Rob’s case, such partners would be able not only to keep him out of trouble by bluntly telling him when to shut up but also to take on some of his more sensitive communication tasks.

We often look for a technical solution to this kind of problem—hiring a coach to “fix” the person, as if he’s a piece of faulty software—when the solution involves the organization itself. Very rarely are you going to turn someone into a leader for all seasons. But you can help her maximize her strengths and minimize her weaknesses in the context of the organization she leads.
Evan Breyer needs to diagnose Rob’s situation to determine if the turmoil reflects complex organizational issues that Rob has intuitively spotted but ham-handedly addressed. Yes, Rob has a communication problem. But Rob’s poorly packaged comments may contain valuable insights into the organization’s strategy that need to be teased out and examined.

Rob’s poorly packaged comments may contain valuable insights into the organization’s strategy that need to be teased out and examined.

For example, when he blunders into his half-joking admonition that teachers had better get off their “rear ends,” he may in fact be identifying a basic weakness in the organization’s culture. If the board’s aim is simply to eliminate the disturbance prompted by Rob’s comments, it may overlook the variety of possible causes for the turmoil, the validity of the turmoil, and the need to help Rob develop a better strategy for managing it productively.

The same goes for Rob’s comment about Coke and breast milk. It obviously touches a raw nerve in some people and certainly was ill considered in this setting (although, you might ask, doesn’t anyone have a sense of humor here?). But the howls of outrage also undoubtedly reveal women’s conflicted feelings about their ability to nurture their children in a fast-paced working world. Embedded in his offhand comment is the suggestion of perhaps a new type of service, revenue generating or not, that Growing Places might offer: classes or discussion groups, possibly led by veteran parents, in which new parents could share their anxieties and questions about—even laugh about—such charged topics as how long to breastfeed or when to let your children sleep in your bed.

Rob needs to work on his communication skills. But a fabulous communicator with well-honed diplomatic skills may end up masking organizational issues and missing opportunities to generate something truly new. A terrific coach would help Rob not only manage his weaknesses better but also articulate the strategic insights embedded in some of his remarks, and turn them into new product and service ideas.

John H. Biggs (jbiggs@tiaa-cref.org), the former chairman and former CEO of fund manager TIAA-CREF, is a member of the boards of Boeing and JPMorgan Chase. He is based in New York.

It’s clear that Rob, despite the coaching he’s receiving, could use additional counsel on how to improve his communication style. The person who may really need a coach in this case, however, is the chairman of the board.

Evan doesn’t seem like the kind of person who’s naturally going to get tough with Rob. Consequently, he needs someone—it might be an acting instructor rather than a coach—to help him forcefully display his indignation and convey to Rob his concern about the effect of Rob’s actions on the company. Indeed, Evan may need to display even more indignation than he actually feels if he wants to make Rob understand the seriousness of the situation.

When Evan does deliver his stern warning, it should focus not on Rob’s failings—“Can’t you see how boneheaded it was to say those things in front of a reporter?”—but instead on the consequences of his mistakes. Evan’s message to Rob: “I’m proud of the company that I founded. I’m terribly upset about the potential damage to its reputation.”
I’ve faced numerous situations in which an extremely talented contributor for one reason or another didn’t get along with people. Almost inevitably, part of my task was to act as the high performer’s protector. People will gang up against an abrasive personality, and you have to shield him or her from their animosity—at least long enough to give the person a chance to apologize or change course.

When I was at TIAA-CREF, an exceptionally valuable senior executive made a thoughtless comment about the outstanding performance of black athletes—to an African-American member of the board. The board member was outraged and, besides demanding that I fire him, succeeded in engaging the entire board in the matter. Part of my role in defusing the situation involved defending the executive and his value to the company. It also involved a heated conversation with the executive about his misstep. Because he was a good friend, I had to work myself into a completely different role—as I think Evan needs to in this case—in order to get across to him my displeasure.

But protection can go only so far. I once hired a brilliant young analyst who had the unfortunate tendency to let colleagues know, either directly or indirectly, how stupid he thought they were. I spoke with him numerous times about this, and he was always contrite. But then he would lose his temper a few weeks later and make the same mistake. I kept him on for a couple of years. But finally, I had to say, “Enough is enough,” and I fired him.

The tragedy of situations like these is that a single mistake can undo a career of good works. Harry Stonecipher resigned as Boeing’s CEO for what was arguably an awkward personal situation but not a cause for termination. While married, he had a romantic relationship with a Boeing employee. After a full investigation by an outside lawyer hired by the company, it was clear he had not used his position to help the woman in her work within the company. But at the time, Harry was leading a campaign to improve the ethical climate at Boeing following a scandal over the award of Air Force contracts. Although board members were pleased with the job he was doing as CEO, in the end the board and Harry himself concluded that, given the company’s current focus on living by its own code of ethics, he would have difficulty continuing to be the standard-bearer of that initiative.

Torie Clarke (torie@torieclarke.com), a former assistant secretary of defense for public affairs under Secretary Donald H. Rumsfeld and former press secretary for Senator John McCain, is a senior adviser to Comcast, an analyst for CNN, and the author of Lipstick on a Pig: Winning in the No-Spin Era by Someone Who Knows the Game (Free Press, 2006). She is based in Washington, DC.

Let’s get this straight: Being honest and direct is generally a good thing. I’ve been the communications chief for both Donald Rumsfeld and John McCain, both of them very blunt people who like to engage aggressively with audiences of all kinds. The overwhelming majority of the time, their approach works.

Any time you adopt such a forward-leaning stance—whether you’re an athlete or a public official or a business leader—occasionally you’re going to look back and say, “Maybe I shouldn’t have done or said that.” In that case, you apologize quickly and unequivocally. But usually the pluses of a straightforward style outweigh the minuses. Take Rumsfeld’s infamous comment about the attitudes of “Old Europe.” While it created a minor furor at the time, it was widely if not publicly viewed as a pretty accurate assessment of most of the Western European democracies. Even some of my counterparts in those countries, while they had to fuss about the comment in public, agreed
with it in private.

So what to do about Rob? Evan has to lead a frank discussion with the board about whether Rob’s strengths outweigh his obvious weaknesses and then choose either marriage counseling or a divorce. My sense is that it’s not too late to save the company’s relationship with its CEO.

If the board members choose marriage counseling, they should demand that Rob apologize to the teachers. Not some carefully couched statement—“If I’ve offended anyone, I’m sorry”—but a formal public apology that makes clear that he understands his thoughtless comments hurt others and himself. Rob should also begin spending more time with the teachers and other employees—something senior managers need to do even in the best of times—thereby going beyond damage repair to the building of a positive environment. In fact, Evan himself should spend more time with the teachers to get a sense of their mood.

A crucial component of marriage counseling would be to examine Rob’s role as well as his behavior. Growing Places took a long time finding Rob, and he’s clearly doing good things for the company. The solution might be to let him play to his strengths and steer clear of his weaknesses. Because Rob has a tendency to spout off and say outrageous things, the board may want to find other people in the company who can play a public role.

Certainly, CEOs need to be out there representing the company to customers, shareholders, analysts, and the public at large. But in today’s information environment, it’s hard for one person—no matter how charismatic, articulate, or media savvy—to be a company’s sole public face. Increasingly, a company needs a lot of senior people to share responsibility for telling its story.

In today’s information environment, it’s hard for one person—no matter how charismatic, articulate, or media savvy—to be a company’s sole public face.

This is particularly true when the person at the top has a tendency toward the loose-cannon syndrome. Consider Ted Turner. Over the years, he has been known for his sometimes outrageous comments that became public relations disasters—calling his marginalization as a leader at AOL Time Warner the equivalent of Third World female genital mutilation, for instance, and comparing the popularity of Fox News, which is a rival of his own CNN, with that of Adolf Hitler. Turner is a creative genius with enormous energy. Getting rid of him simply wasn’t an option. So over the years his organization worked very hard to prepare other senior executives—members of the management team and heads of divisions—to act as spokespeople for the company.

Roger Brown (rhbrown@berklee.edu), president of Berklee College of Music in Boston, is the cochairman and cofounder of Bright Horizons, the world’s largest provider of employer-sponsored child care and an organization frequently cited on lists of employee-friendly workplaces. He is the author of “How We Built a Strong Company in a Weak Industry” (HBR February 2001).

It’s time for Evan and his board to tell Rob that he’s the wrong person to be leading Growing Places. I say that for two reasons, both of which have to do with the managerial context of this case.

For one thing, child care, more than almost any field you can imagine, requires a humane, caring, and values-centered management style. Because the care of young children evokes strong
passions in nearly everyone, you have to be unusually sensitive to the needs of the children, the parents, and the teachers, and to the nurturing relationships among them all. Hand in hand with such sensitivity must be an engaged and participatory management style—something that Rob clearly lacks—throughout the organization. You can’t expect Rob’s kind of autocratic leadership style to morph into a participatory, child-centered approach as you move down the organization and into the classroom.

Think about it. If you’re in a business where extreme confidentiality is required—a defense contractor, say—and the senior leader can’t keep a secret, you can be sure there will be breaches throughout the system. If you’re in a business like medical equipment manufacturing, where manufacturing tolerances are in the micrometers, you don’t want senior leaders regularly showing up late for meetings or missing deadlines. In software development, by contrast, a few big ideas are often more important than manufacturing precision, so the industry is often marked by a freewheeling culture—a culture that would be a little scary in the case of a medical equipment manufacturer.

None of these management styles is inherently better than the others. Rob might be an excellent leader—in fact, he apparently was—in another setting. But he’s unlikely to be one here over the long term.

The other reason Rob has to go relates not to his weaknesses but to his strengths. Clearly, there’s a role for creativity in this business. Child care is a tough industry with low margins; everyone has explored add-on services like dry cleaning that people might be willing to pay extra for. Rob’s innovative programs have helped the business grow.

But an approach focused on customer transactions can’t drive the culture or the business of Growing Places. Child care is a huge expense for most parents, and if financial success is the only aim of your business, this will come back to haunt you. Ninety-five percent of your revenue comes from the core service of providing child care. And you aren’t going to keep your centers full with clever marketing or add-on services. You’re going to achieve that through word-of-mouth recommendations across the ultimate social network: the parents of young children. Rob’s business innovations mean little if he’s offending the parents who serve as his marketers or the teachers in whom parents place enormous trust.

An approach focused on customer transactions can’t drive the culture or the business of Growing Places.

One other thought: Evan acts as if Rob is the only one who can bring a creative approach to the business. It feels almost as if he’s working for Rob. This often happens in the case of a blustery, autocratic, alpha-male leader. Evan has to stop and ask himself, Is this the kind of organization I wanted to create and be associated with? Do I have to live with Rob’s mistakes and insults? Is there no one else in the world who has Rob’s business talents and values that are consistent with the organization? The answer to all three questions is no.