

Learnings from Keith Rabois: Evaluating and Managing Executives

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6-7 minutes

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Imagine you're the CEO and you're looking to hire your first General Counsel but have never worked with a lawyer before. In part one, we looked at how to hire an executive, such as your General Counsel, when you have no expertise in their domain area.

In this part, we'll look at how you manage and evaluate that executive once you've hired them. This helps you evaluate whether they're doing an okay, good or great job, as well as coach them to improve.

Managing

The good news is regardless of function, the framework is similar, which starts by **managing inputs, not outputs. You want to evaluate the executive on their inputs, which is primarily the quality of their thinking and work, rather than on their outputs ("did their work hit the desired goals?"). Once you learn how to manage inputs, you can apply it to any function.**

At a high level, if the team or executive has a high quality level for their inputs (such as quality of thinking), then the outputs will naturally result (the metrics). It avoids one of the risks of managing outputs, which is that people will work on the least risky problems rather than the most important ones.

Let's start with how to evaluate executives when they join and then proceed into later in their tenure.

Onboarding

Generally more senior people will drive their onboarding and relationship with you, whereas more junior people will look to you to lead. Here are a few questions to help evaluate:

- When they start are they driving their own onboarding?
- Do they spend the first couple weeks diving in and coming up with a plan for their first 90 days?
- Do they work with you to define what success looks like and ensure you're both aligned?
- In their 1:1s with you, do they drive the agenda?
 - Are the meetings efficient?

- Do they report on the important initiatives?

Peer Feedback

High performing people can easily spot other great people.

- What do other high performing people in the company say? They'll be quick to evaluate and likely won't be shy to tell you if they think someone is phenomenal or not. Don't be afraid to ask though.
- What is the feedback from the executive's reports? They can help you understand how they are as a leader.

Their Organization

A key role of an executive is to build out and up level their own organization.

- Are they able to hire a strong team?
- Are you consistently impressed by the quality of the talent they're hiring?
 - Is it higher quality than what you thought was possible or could hire yourself?
- Do they understand the strengths and weaknesses of their org?
 - Do they hire or restructure the org to address these?
- Is the org noticeably better than before they started?
 - For example: with a CFO, do they now have a quarterly budget process which never existed before?
 - For a Head of Design, did design work with engineering and product to develop a new process that sped up development time and improved quality?

Quality of Thinking

It's important to align with the executive on goals. You may have different perspectives on the importance of various initiatives, timelines for them, and desire for depth vs breadth, so it's important to sync early and often on these. Once you've done this you can evaluate the quality of their thinking.

- Are they right more often than not?
 - It's okay to not always be right (which is one of the values of managing inputs, not outputs), but are they right more often than not?
- Are they teaching you? Are they able to explain their decisions and the trade-offs of various approaches?
 - They should be able to explain their decisions to you. Don't fear going deep and asking questions. Approach this with curiosity and a learning mindset; it's not confrontational to ask questions if you come at it from a growth mindset.
 - If they aren't able to clearly explain then that's a yellow flag and means they don't understand themselves or are too lazy to explain it.

- Recognize people have different styles though, so some may be able to do this real-time and verbally, whereas others may want time to reflect and write it down. Both styles work.
- Do they come up with answers that are better than what you thought was possible?
 - Are you consistently surprised and impressed by the ideas they come up with?
- Are you impressed by the speed of execution?
 - Experts often have a fast pace of execution and thinking as they're acting from instinct and past experience in their domain.

Company Leader

- Do other people in the company seek them out for advice? Do you see them in meetings you wouldn't expect because people value their input?
 - For example: Is your new General Counsel invited to product and engineering meetings?
- Do they understand how other orgs affect their org?
 - Strong leaders are able to provide value outside their org.
 - For example: Is your General Counsel able to understand what's happening in the data science or engineering orgs?

Wrapping Up

Quality is a Virus

Quality spreads from org to org. As an example, a strong finance team challenging growth ideas, or vice versa. This helps you as other orgs will encourage each other to be better rather than you solely focusing on it. It pushes quality from the bottom.

Conversely low quality will spread between orgs, therefore it's important to up-level any underperforming orgs. As an example if the people team isn't being responsive or creative with handling concerns by engineering then why should engineering strive to be their best.

Trust your Gut

Lastly it's important to trust your gut. If you feel an organization or leader isn't doing well as an outsider, then it's probably even worse as an insider. If you start to feel inklings of uncertainty don't hesitate to investigate and see if there is merit. Don't be afraid to make necessary changes.

Conclusion

Let me know what has worked well for you and what topics you'd like to see for future posts. Please reach out on Twitter with thoughts.

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