
Why Do So Many Executives Fail in Their First Year on the Job?

Executive Summary

The causes behind executives failing early in their tenure with a company stem from two sources: the company and the executive. That is to say that either the job was not right for the person hired or the candidate hired was not the right person for the executive position. In many cases, the causes of failure come from both sources. Fortunately, organizations can guard against executive failures by adopting a thorough and thoughtful methodology for both the selection and on boarding of new executives. This paper describes some of the pitfalls that such a methodology obviates. The topics included in this white paper include:

1. The wrong job for the person

- Poorly defined job expectations
- Desperation hire
- Celebrity hire

2. The wrong person for the job

- Cannot learn fast enough to keep up with the demands of the job
- Does not apply intellectual resources effectively
- Not the right interpersonal characteristics
- Not the right leadership skills
- Not the right amount or level of experience
- Ineffective on boarding

The Wrong Job for the Person

Successful executives possess complex sets of characteristics that help them succeed. While there is no single way to be a successful executive, the absence of certain key characteristics significantly reduces the potential for success.

Cannot learn fast enough to keep up with the demands of the job

As business becomes more complex, the inability to learn quickly and efficiently becomes a major derailer. It is a mistake to assume that the individual's resume is evidence that he or she must be smart enough. Further, it is very difficult to determine intellectual strength based on a typical job interview. In interview settings, great common sense can masquerade as intelligence. Although common sense may be necessary for success, rarely is it enough.

Intelligence is the single best predictor of success in executive roles. Some writers have recently suggested that other components of personality supersede intelligence in predicting success. However, studies of executive leaders have shown that most of the slower learners have already been eliminated. Once the slower learners have been eliminated, other factors do become more critical. But, to assume that raw intellect is a less important predictor would be a mistake.

Does not apply intellectual resources effectively: common sense, strategic thinking, analytical thinking, and critical thinking

Intellectual laziness has derailed many an executive, even those with huge amounts of raw talent. Not only are successful executives quick thinkers, but they also invest the time to reflect on what they have learned. They analyze details, separate the important from the unimportant, focus on a multi-year perspective, minimize wishful thinking, and recognize the complexity of business problems and solutions. Less successful executives, even those with exceptional intellect, depend on their intelligence and often fail to apply strong problem solving and decision making skills. They try to figure things out as they go along, failing to critically assess what they learn and relying too much on “thinking on their feet.” While this may serve them well in less complex roles, at the senior level of complex organizations, it can result in overlooking business obstacles or disruptive technologies. While the less successful executives may lead in an acceptable fashion, their organizations fall short of greatness.

Not the right interpersonal characteristics

In the last decade, there has been tremendous amounts of research into the interpersonal skills that are necessary for success in leadership roles. These skills and characteristics have been referred to as “emotional intelligence,” “practical intelligence,” “authenticity” and a multitude of other names. No one possesses all the interpersonal skills addressed in the literature. Indeed, some are almost mutually exclusive (such as action orientation and cautiousness). However, when an executive lacks too many of the required interpersonal skills, potential for success falls dramatically. Some of the most common personality derailers include:

- The executive blows mistakes out of proportion, taking them as personal affronts and reacting with unexpected emotional outbursts.
- The executive possesses a basic level of distrust in others and their intentions. Executives typically get what they expect to get from others, even if that is weak performance.
- The leader lacks transparency, appearing unauthentic. Even those who interact with the executive frequently do not believe they know the executive, understand what motivates him or her, or know what values are important to the executive. Without this level of transparency, others rarely develop a high level of loyalty.
- The executive does not truly care about others and their wellbeing. His or her focus is on the bottom line, on achieving results, and personal success. The executive does not possess a deep rooted desire for others to be happy and successful.
- The leader’s need for recognition results in a failure to share credit for successes. The executive focuses on those projects that have the greatest personal visibility even when they are not most important for the long term success of the organization. Further, by taking credit for subordinates’ successes, morale, motivation, and focus deteriorate.
- In verbal communications, the leader hears the words but fails to understand the emotions behind them. The executive lacks insight into others, their feelings and how

- to tap into their motivations. At times, such executives become over-dependent on formal, written communication.
- The executive is not confident of his or her ability to meet the expectations of the position. While a certain level of humility builds loyalty, too much humility results in a lack of confidence in the executive's ability to lead. If the executive is not sure where to go, others are not likely to enthusiastically follow.
 - The opposite of the derailer described above would be an executive who is excessively self confident, believing he or she always knows the best course of action and rationalizing away mistakes as the fault of others. Such an executive may act quickly and impulsively, not recognizing the need for thoughtful analysis.
 - The executive analyzes problems and business opportunities so extensively that action is delayed beyond the point where it could provide the greatest value. While a certain amount of analysis is appropriate, too much can appear as indecisiveness, procrastination or a lack of commitment to the success of the organization.
 - The executive's passion for change is so strong that even those processes and products that are extremely successful are disrupted. The pace of change becomes so great that employees feel unable to keep up, and eventually, they psychologically opt out of the success of the next new initiative.

Not the right leadership skills

There are many ways to be an effective leader. Some create followership through a powerful ability to generate energy and make it contagious; their persona is such that when they walk into a room, everyone instantly knows they are a leader. Others have a low-key style, leading quietly and confidently; they create follower ship by making steady progress toward organizational goals and demonstrating that they will bring the department or organization to achieving both its long- and short-term goals. Even for a specific position, a variety of leadership styles can be effective. Similar to interpersonal skills, however, the leader who lacks too many of those skills critical for the job is likely to fail. Some of the most common sources of leadership failure include:

- The executive fails to effectively communicate expectations. This may be due to an assumption that expectations are already understood, a pre-occupation with other issues, or a preference to work with data rather than people
- The executive avoids straightforward performance discussions. Rather than addressing a deficiency when it is first recognized, the executive procrastinates as long as possible. As a result, the learning opportunity for the subordinate is missed, mediocrity appears to be tolerated or the employee is eventually removed from the position.
- The executive focuses on the wrong qualities when selecting talent. Too often, interpersonal connectedness outweighs an objective assessment of competencies. The result is an organization with an insufficient number of "A" level performers. As a result, organizational performance deteriorates, no matter how talented the executive is.

- The leader is not effective at delegating responsibility to others. Sometimes, the executive delegates responsibility without providing the resources or authority to be successful. At other times, the executive delegates tasks without delegating responsibility or the opportunity to learn from mistakes and successes. A third source of delegation failure is the executive who believes no one else is capable of doing the work and attempts to do it all him or herself.
- The executive does not know how to help others develop. While many talented employees will develop with or without help, others require the guidance of a development-oriented leader. Without that guidance, progress tends to be slower and less focused. As a result, the executive is less effective at transforming the organization into a higher performing unit.

Not the right amount or level of experience

There are some roles that require specific experiences and job assignments as a precursor to success. Without these, the executive cannot be prepared for the next role.

- Functional leaders who have never had significant profit-and-loss responsibilities are not well prepared for a senior general management position.
- Executives who have moved too quickly from one position to another may have learned how to have a quick impact, but not learned how to create sustained competitive advantage.
- Executives who have never experienced a major setback in their careers are not well prepared to manage the impact when such a setback occurs, as it inevitably will. The “skinned knees” obtained by executives in challenging assignments facilitate a greater likelihood of success in a higher, broader or more complex job.

In Effective Over boarding

The first six months are critical to the long term success of the executive. Many develop 90-day or 180-day plans to outline what they want to accomplish. Depending on the organization or department, the immediate needs will vary. Successful on boarding includes a thoughtful plan combined with effective execution. However, there are perils. The following have derailed many executives just as they were leaving the starting gate.

- The new executive tries to do too much too quickly. In an effort to make a quick, powerful impact, the executive begins making staffing, organizational structure, marketing or product mix changes before accurately assessing what is working well. Not only can such changes disrupt the productivity of the organization, but it can create fear, resulting in the departure of some of the organization’s most critical talent. Invariably, when too many changes are made too quickly, either the executive has to undo many of them or ends up leaving the organization.
- The opposite of the derailer described above is the executive who waits too long to do anything. Just as acting too quickly has hazards, acting too slowly does as well. In an effort to thoroughly understand the complexities of the organization, some

- executives show no visible results after months on the job. Even though the executive may have been working very hard, credibility can be lost quickly. And once it is lost, it is very difficult to regain.
- The executive fails to identify and act on key levers that will make a fast, positive impact. The executive who assumes that any contributions will add value is likely to stumble. While that may be true after some tenure on the job, in the on boarding phase, the executive must identify what actions will be evidence to the organization, its employees and customers that this executive was a great choice.
 - Occasionally, executives fail to build the right relationships with his or her team. Assuming he or she has the relevant experience and knowledge for success, the executive fails to identify the key formal and informal leaders in the organization, to build effective relationships with them, and to determine how their strengths can be leveraged for the benefit of the organization.

Any of these pitfalls can result in the executive being less successful than hoped for. In order to ensure the long term success of the executive and the organization, the executive needs to ask the following questions before taking a new role:

- Do I understand the job, the expectations, and the subtleties surrounding the role and how the organization views success in this role?
- Do I have the right skills and experiences that will set me up for success in the role? Is this a “stretch” assignment that, while appealing, is not right for me at this point in my career?
- Is my leadership style well formed and consistent with the expectations in the new organization? Do I have the confidence necessary to contribute, yet the humility to ask questions that will guide me in the first few months?

Most executives (or employees at any level for that matter) spend more waking hours in their working environment than with their spouse and family. Before getting married, potential partners usually invest a significant amount of time in the courtship, thinking through how the relationships will grow over the years. Yet, when deciding to “marry” a new executive, organizations can be impressed for the wrong reasons. The best organizations invest significantly before the selection to minimize the possibility of key derailers interfering with the success of the new executive.