

# Take your investment in new executives one step further

Norah Breekveldt discusses the numbers that may scare you – the high rate of failure in appointing leaders.



**Norah Breekveldt** is Director of Ampersand Advisory.

**B**usinesses invest heavily in attracting and hiring the best executives the market has to offer. However, despite the best recruitment or search processes, success is by no means guaranteed and many new hires don't make it – in fact around 40 per cent of new hires derail in the first 18 months – that is, they are demoted, are fired, resigned or failed to be as successful as expected. Can you imagine a business installing some new technology or investing in a piece of highly complex equipment and accepting a 40 per cent failure rate? Yet many organisations seem to accept this poor track record with its leadership asset.

Some of the common reasons why new executives fail to meet expectations include:

- They become swamped in operational problems or fire-fighting at the expense of focusing on longer term strategic, business development or leadership priorities
- They underestimate the challenge of coming in as an outsider and over-rely on their previous successes to gain acceptance
- They fail to engage their team or effectively turn around disgruntled staff
- They lack understanding about the informal power bases and decision-making processes in the new partnership
- They apply strategies that were successful with a previous employer, but fail to gain traction in the new organisation
- They are unable to adapt to the new culture, different decision-making processes and distinctive leadership styles of individuals in the new business
- They become captive to the views of the loudest voices. As a result they don't build the right foundations, fail to listen to the right people and so get limited traction.

When leaders derail their problems can almost always be traced to complex chains of events that developed early in their appointment. The issue is not simply one of poor internal induction or on-boarding strategies in the first

