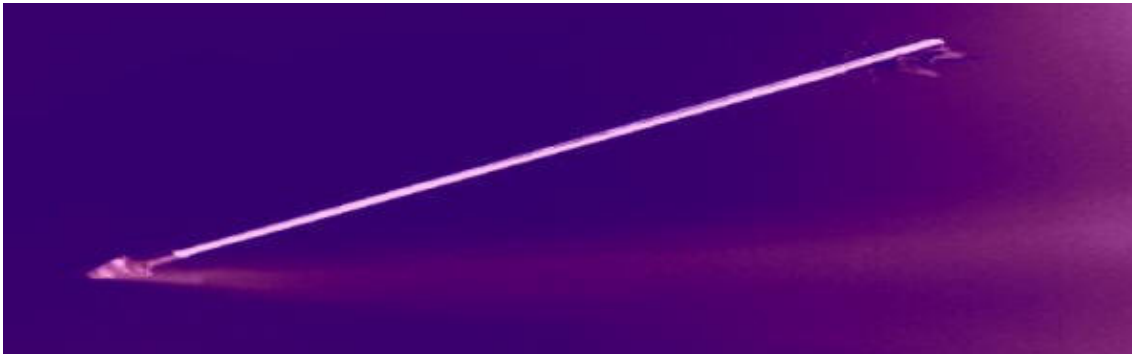


WHY DO SO MANY EXECUTIVES FAIL SO SOON AFTER BEING APPOINTED? RODERICK BROWN OFFERS A SOLUTION...



There is no point in being alarmist. If you are a recently appointed executive in the UK, you have anywhere between an eighty to sixty percent chance of being successful. That is, of not being fired within the first eighteen months of accepting the job. The same statistic goes for executives you have appointed.

Evidently, there is a great deal of management talent that doesn't survive to fight. In fact, if an executive is hired from outside the business, they are likely to fail 34% of the time but there is "only" a 24% chance of failure when people are promoted from within (Kelly-Radford study 2001). The US based Corporate Leadership Council have worse news: 4 to 5 out of every 10 "externals" will fail sooner rather than later. CEOs fair worst with very few who come from outside the corporation (about 5%) ever making the organisation really fly in performance terms. Why so?

One reason is the Peter Principle, after Laurence J. Peter: "In a hierarchy, every employee tends to rise to his [her] level of incompetence." But this is mostly observation after the fact and promotion beyond some ill-defined competence ceiling is not the root cause of professional failure. Competent people are generally competent people, traits that are observable even in the very young and inexperienced.

Very possibly, and especially so with outsiders, the executive follows a trusted method that simply fails to adapt to the new role. What worked in the past is not necessarily a guarantee that it will work in the future in a different organisation with different rules and alien environment. Organisations can usually avoid this risk by selecting people that have proved their adaptability by having been successful in multiple roles.

More likely, failure comes about because the new executive and the boss do not see the same priorities, or because the terms and purpose of engagement are opaque. Written terms of reference are for use in HR departments and courts of law when things go terminal. Understanding what will satisfy the boss and the body corporate is a human, person to person process and this is frequently where it all falls apart.

Of course, the appointee could be right and the boss wrong. The boss may well be driving the failure but either way there is a broken arrow and it comes down to trust and relationship. Perhaps better to be fired with your boss than by him. Better still to make your own move and leave the boss to fate.

A relationship that goes sour is not just sad or inconvenient but grossly inefficient and costly. Again, the Corporate Leadership Council estimated that the cost of senior executive derailment, simply in terms of head-hunters' fees, severance, wasted salary etc. is \$275,000 over 18 months. But far costlier is the loss of productivity, loss of impetus, waste of time, and perturbation in the morale of others. And this is just

when a relationship is bad enough to come to a head; what happens in the many cases where performance is mediocre but does not merit draconian action, where the organisation and the individuals involved are less satisfied than they could be but nobody says so?

Costs of failure occur despite the extraordinary lengths to which today's corporations go to select people. The superfluity of examinations and interviews still result in sub-optimal executive performance from CEOs to the newest graduates.

Given that failure is generally manifest in a breakdown in faith between individuals, the cause can mostly be attributed to paucity of communication and consequent deprivation of understanding. It is why those with higher Emotional Intelligence fair better than those who engage less with the needs and sensitivities of their workmates. The emotionally bright communicate and inspire more effectively than emotional dullards. If this is true, and it is difficult to argue that it is not, the remedy is simple and palatable.

Pre-empting failure is a matter of communicating effectively; in fact, discussing regularly the desires and wishes of the boss and the matching solutions of the subordinates is the most certain way of avoiding it.

"Rules of engagement" need to be clearly established and this requires discussion and dialogue not an email attaching a job description. Those transferring within the corporation as well as outsiders need to be brought into the fold so that they understand what is culturally acceptable within the informal rules of the new department. Even if they are mavericks brought in to shake things up, and sometimes this is necessary, they need to know when rules are merely transgressed and where breaking them becomes offensive and counter-productive.

Effective communication, including two-way expectation setting and boundary definitions need to occur frequently and at every instance of change in a team for we human animals need to constantly reassure the tribe of our mores and intentions lest we be cast out or lest we ourselves set upon someone whose actions we no longer understand. Colleagues and bosses, like political electorates, tend to have short memories and be equally unforgiving.

What is the solution to limiting executive failure to an absolute minimum? A quick recap: the process of executive selection is probably effective; most people who have performed well before will do so again; failure comes because individuals fail to talk about requirements and intentions; holding frequent, meaningful meetings with individuals and whole teams addresses the problem.

So take your team away, out of the office, and talk to them and let them talk to each other. You don't have to use team-building activities because your business issues should bind a team effectively enough, given that goals and rewards are clear. But you do have to make room for personal association – even with people you wouldn't necessarily choose to associate with in a private, social capacity – and space for dialogue around business goals. Do it every time a team member changes, do it every time you join a team. If there are no changes to a team, which will be rare, make sure you meet "offsite" as a team at least quarterly. If your boss is not a great fan of communicating, find out a way to get personal association time with him or her and don't just discuss the weather or routine matters but get to what makes you both tick. Such communication complements good selection, raises the chances of success of the people in your team and therefore of your own success and enjoyment of business life. Go talk.