



MEDIA RELEASE

50% of executives hired or promoted this year will be gone within 18 months

Monday July 27, 2015. Although it has been 10 years since Michael Watkins published the results of his research showing that 50% of executives and leaders in new roles fail in the first 18 months, it would seem nothing has changed claim Converge Consulting Co-Principals Ty Wiggins and Wayne Condon.

Watkins' research and his book "The First 90 Days" revealed that the issue is not limited to the 50% that fail but also includes the 50% that succeed but have a very tough first 6-12 months getting up to speed and ingrained in their new role argues Condon.

"Leadership transitions are among the most demanding and difficult situations executives face – and managers at all levels are especially vulnerable in their first few months in a new role because they lack in-depth knowledge of the challenges they'll face and what it will take to succeed", said Wiggins.

Initially, new leaders are typically a drain on productivity, drawing a salary, incurring training and orientation expenses, and consuming co-workers' time without providing much in return. In the case of an unsuccessful transition, the impact on an organisation can be measured in poor financial results, decreased employee morale and costly turnovers.

For a multiple of reasons organisations have not taken the necessary action to regain this enormous loss of productivity. The primary reason is that their organisational structure does not provide the support for new leaders.

Wiggins asks, "Whose role is it to mentor in new leaders - HR, the direct manager, the CEO, the predecessor or L&D?"

Organisations can improve the process with transition coaching. Unlike developmental coaching, transition coaching is time-bound and short-term, generally lasting only 3 - 6 months.

Wiggins pointed to a current assignment within an international company where the Group MD of Asia Pacific is being promoted to fill a vacancy in Europe. As a result the MD for Australia is being promoted to his role and they are promoting the Sales Manager to MD of Australia.

In each role change there is a significant increase in responsibility both in terms of staff

numbers and size of business in terms of revenue. The issue is that each role is designed to mentor the next one to success but in each role the incoming person will have their hands full just trying to understand their new requirements, establish credibility and build momentum.

“The gap is clear but organisations are not designed to have redundancy or spare capacity in this area. In most organisations everyone is just too busy to really devote the time to properly support the new leader”, said Wiggins. “In this case the organisation has engaged us to coach the MD’s through their transition to ensure firstly that they stick and secondly that they get to full productivity in their roles as soon as possible”.

“Unfortunately we seem to have a *sink or swim* attitude with executives expecting them to be able to manage the transition. Almost like a “*well I did it so you can too*” baptism of fire”.

Being a good leader or executive does not necessarily mean that you are good at the transition phase. In fact, the more desirable candidates are commonly the ones who have had fewer transitions.

All new leaders (like new products) have a J-Curve across their first 12 months. This J-Curve will be deeper or flatter depending on the focus organisations have on working with and supporting new leaders in their first 3 – 6 months.

“On the positive side, organisations that do manage the transition of new leaders well can create a ‘fast landing’ culture where new leaders get to full contribution in a shorter time frame clawing back months and years of lost productivity across multiple senior leadership changes in any given year”, concluded Wiggins.

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About Converge Consulting and First Quarter: **First Quarter** is a specialised transition-coaching framework developed by Converge Consulting working with both external hires and internal promotions during their first three months in a new role. This framework drives winning outcomes for each newly appointed leader, which has a flow on effect to their team, division and organisation.

First Quarter’s two drivers are:

1. Increasing the new leader’s speed to full contribution
2. Reducing the likelihood of early departure and the associated costs.