

## 40% of CEOs fail within first 18 month – strategies to increase their chances of success!



40% of CEOs fail within the first 18 months (HBR, 2005). There are a variety of reasons for this, including: Failure to establish cultural fit; failure to build relationships with staff/peers; unclear expectations; limited ability to influence; and failure to recognise the impact of change. This failure is not only frustrating from the individuals point of view but there are also significant direct and indirect organisational costs associated with CEO/senior executive failure, such as –

- *Loss of organisational trust and momentum amongst staff members and rise in uncertainty*
- *Loss of self confidence leading to reduced innovation; risk taking and poor decision making*
- *Lost/wasted business opportunities*
- *Cost of recruitment*
- *Impact on stock market*
- *Loss of reputation and customer goodwill*

So what actions can organisations take to increase the likelihood of success for these new leaders?

Coaching through the first 100 days (often referred to as 'on-boarding coaching') can be offered to all new leaders. On-boarding coaching is specific to transitioning into a new role and focuses on integration and new learning rather than past successes. This type of coaching can be used to strategically align new leaders with the organisational culture and values; while also facilitating a greater understanding of key expectations, personal and team strengths, and leadership style. Providing on-boarding coaching also demonstrates the organisations commitment to the individual which in turn reinforces the organisations image as an employer concerned with developing its staff –thereby enhancing the employer brand.

Although coaching can often be costly in the short-term, the return on investment (ROI) from coaching has been well documented with coaching found to deliver significant business benefits such as 'higher ROI than training', 'reduced levels of stress and absenteeism' and 'increased retention' (HDA Survey, 2008). A recent ICF survey also noted that over 98% of surveyed corporate coaching clients found coaching to be a valuable investment and overall coaching programs delivered ROI SIX times the cost of the coaching. In addition increases in productivity and retention; greater organisational commitment and improved bottom-line profitability were observed.

Successful organisations realize that the market does not slow down to accommodate the introduction of a new leader and therefore to remain competitive, leaders must be effectively supported through the transition in order to minimize the learning curve and enable results to be achieved quickly - thereby ensuring minimal disruption to business performance.

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