

Going Sour in the Suite: What You Can Do About Executive Derailment

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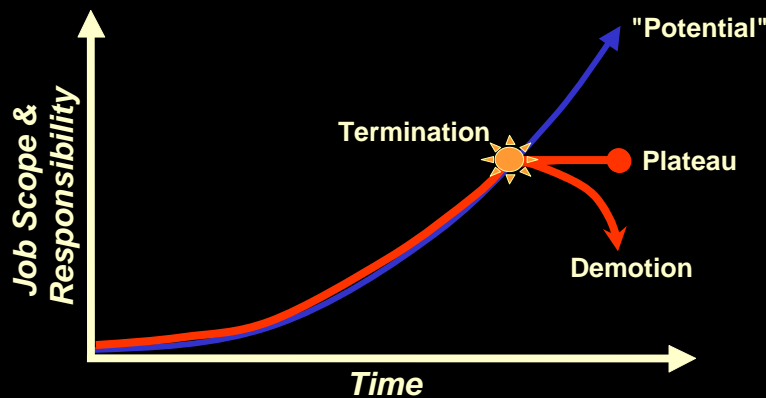


What is an executive?

- Generally, VPs on up
- Usually responsible for multiple functions
- Responsible for long term direction and success of the company

What is derailment?

When a talented executive falls short of his or her expected career trajectory.



Is derailment a big deal?

- How many executive appointments are considered a "success"?
About half (25 to 70%)
- How many talented executives fall off track before reaching their potential?
About a third (20 to 50%)

Sources: McCall & Lombardo (1983) *Off the track*; Bentz (1985) *A view of the top*; Sorcher (1985) *Predicting executive success*; Lombardo & McCaulley (1988) *Dynamics of derailment*; Shipper & Wilson (1991) *Impact of managerial behavior*; DeVries (1992) *Executive selection: Advances but no progress*; Hogan, Curphy, & Hogan (1994) *What we know about leadership*; Leslie & VanVelsor (1996) *Derailment today*; Sessa, Kaiser, Taylor, & Campbell (1998) *Executive selection: What works and what doesn't*; Lombardo & Eichinger (2002) *The leadership machine*.

What is the cost?

To the Organization... To the Individual...

Derailment Research

- Pioneered by Jon Bentz at Sears, early 1980s
- Extended at CCL (esp. Mike Lombardo)
- Understanding success by looking at its opposite
- Mostly about executives who fall off track
- A little on those who manage to turn it around

Research

What gets rising stars into trouble?

- Not enough of "the right stuff"
- Some of "the wrong stuff"
- And sometimes, *too much* of "the right stuff"

Research

Derailment factors from 10,000 ft.

- Personality flaws
- Failure to make a successful transition
- Not an aggressive learner

Research

Personality flaws

One way or another, the individual's strategies for getting ahead and getting along alienate other people.

- "Moving against" – abrasive, arrogant, self-promoting
- "Moving away" – aloof, distant, skeptical
- "Moving toward" – dependent, eager to please, compulsive

Source: Hogan & Hogan (2001). Assessing leadership: A view from the dark side. *International Journal of Selection and Assessment*, 9, 40-51.

Research

Failure to make a successful transition

For any one of a number of reasons, the individual winds up in a more senior role and doesn't cut it.

- Poor relationships
- Can't build a team, delegate, or truly empower
- Lack broad functional orientation
- Not strategic
- Don't deliver

Research

Why do transitions do so many in?

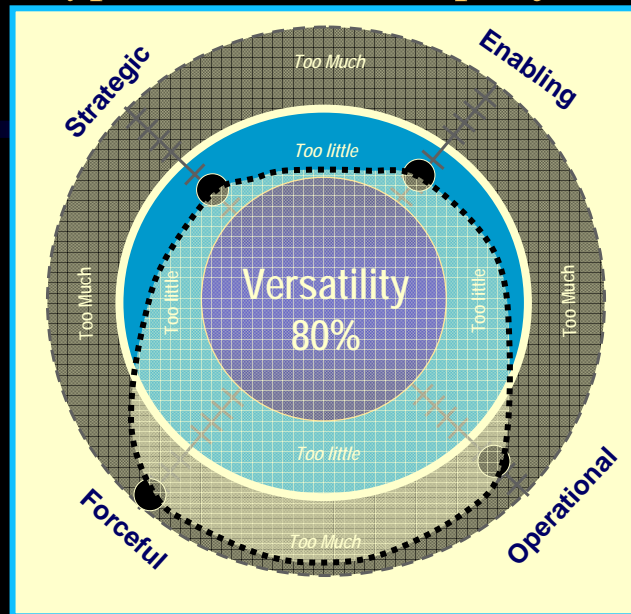
- Success profile changes
- Lack of preparation
- Lack of support

The success profile changes

	Supervisor	Middle Manager	Executive
Learning Orientation	+	+	++
Work-Life Balance	+		-
Decisive, Action Orientation	+	+	-
Empowerment		-	+
Interpersonal Warmth	- -	+	
Abrasiveness	- -	-	
Lack of Follow Through			-

Source: Kaiser & Craig (2003). *What gets you there won't keep you there: Managerial behaviors related to effectiveness at the bottom, middle, and top.* Under review.

Typical executive profile



Based on 300+ executives we have worked with using our unique 360 instrument, the Leadership Versatility Index™

Source: Kaplan & Kaiser (2003). Developing versatile leadership. *MIT Sloan Management Review*, 44, 19-26.

Research

Why do transitions do so many in?

- Success profile changes
- Lack of preparation
- Lack of support

Lack of preparation

- It takes 3 years to really learn from a job
- Most managers move on in 2 to 2½ years
- Emphasis is, understandably, on performance now
- Infrequent use of special projects and developmental relationships to prepare for next level
- Haphazard linking of succession planning, career planning, and development planning
- Promotions based more on success in current role than on skills and abilities needed in the next one

Research

Why do transitions do so many in?

- Success profile changes
- Lack of preparation
- Lack of support

Lack of support

- First six months set the tone
- First six months are overwhelmingly complex... more about learning than results
- How often is a deliberate "on-boarding" plan created... and implemented?
- *de facto* sink or swim, survival of the fittest

Research

Why do transitions do so many in?

- Success profile changes
- Lack of preparation
- Lack of support

Reinventing who you are and how you lead is incredibly difficult



Charles Darwin

On the Origin of Species

"The survivors of any species are not necessarily the strongest. And they are not necessarily the most intelligent. They are those who are most responsive to change."

Research

Not an aggressive learner

"If there is a magic talent that guarantees success, it's recognizing then learning to do what you don't know how to do."

- Only consistent predictor of success across levels
- Derailers and stars both make major mistakes – but the stars report learning valuable lessons, derailers don't
- Low self-awareness and narrow band of expertise characterizes most derailers

Source: Lombardo & Eichinger (2002). *The Leadership Machine*. Lominger Ltd.: Minneapolis, MN. (p.58)

Research

Derailment factors from 10,000 ft.

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What You Can Do

Derailment is a reality. But much of it is treatable.

- An oz. of prevention vs. a lb. of cure
- Proactive management of transitions
- Early detection of gathering potential
- Culture and talent management practices play a role

Prevention

Principles

Individual

- Knowledge is power
- Development plan
- Learn how to learn
- Common deficiencies:
Strategy
Leading through others

Organization

- System-wide feedback
"right stuff" (excess too)
"wrong stuff"
- Track talent
- Bake in development
Job audit (opportunities)
Dev't assignments & relationships

Prevention

Dark side of personality

Individual

- Know your dark side
- Learn to cope with it
- Be preemptive
Share with others
Ask for help

Organization

- Be realistic about people
We get the whole person
Two sides to every coin
- Special Problem:
Identifying the corporate sociopath – before it's too late

Managing transitions

- First six months offer a window of opportunity
- Clear assessment of watch-outs on the front end
- Clear understanding between individual and boss – agreement about how to monitor watch-outs
- Formal mechanisms to monitor progress – for instance, bi-weekly check ins with boss
- Pulse check at the six-month mark – what's going well, what isn't, what one thing offers the greatest leverage?

Transition risk factors

- Straight and narrow career path
- Rigid professional identity
- History of working with one type of boss
- Poor performance in similar dev't assignment
- History of not responding well to feedback
- Doesn't deal well with stress and ambiguity

Early detection

The "Gathering Potential" Checklist

When it happens

- Deal with it quickly
- Conduct an intellectually honest postmortem

Not just the immediate causes

What were the distal, systemic causes?

What could I/we have done differently?

How did our culture contribute?

The "Not-so-Best" Practices

How well intended talent management strategies can backfire.

Or...

Every sword has two edges—which one is sharper?

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