Why So Many New Employees Don't Succeed

By Erika Andersen; June 10, 2014

Quite often, my colleagues and I are asked to coach freshly hired executives who are struggling to succeed in their new organization. And this struggle to succeed is sadly common – research shows that 46% of new hires fail within their first 18 months. The unfortunate thing is that this statistic is avoidable – such a high failure rate doesn't have to happen. We've seen (and the data backs this up), that when new hires fail, in the vast majority of cases – almost 90% – the problem is poor cultural fit vs. lack of skills or technical expertise.

Over the past few years, I watched as two newly hired, talented senior executives failed pretty spectacularly at two different companies – and in both cases, the problem was a poor cultural fit.

Interestingly, both people were hired as change agents – that is, the CEOs who hired them saw qualities in these folks they thought were missing in their current senior teams, and wanted to bring these new people in to "shake things up." In one situation, the new hire was a highly creative, risk-taking, non-linear thinker - and the CEO hired him because he thought his media company had gotten too stodgy and numbers-focused, and had lost its creative edge. In the other situation, the CEO thought his executive team (and in fact the whole company) was too "nice"; wasn't honest enough about sharing tough news and wasn't aggressive enough in the marketplace – and so he hired a woman who was very results-focused and assertive.

Unfortunately, in both cases, once the person was hired, the CEO didn't do anything to support the change he supposedly wanted…and the cultures chewed up and spit out the new people in pretty short order. The new folks kept being who and how they were, and doing work in the way they were used to working, and it made people (the CEOs included) uncomfortable because it didn't seem "normal."

There's a company called RoundPegg that focuses on helping companies accurately assess their culture, and then assess job candidates for fit with the culture. I love that there are companies focusing on this; for too long, leadership at most companies has hugely underestimated the importance of company culture as a factor in hiring. I think job candidates have historically overlooked this key element, as well. Part of the problem, I believe, is that we've had no clear definition of corporate culture – we think of it as a murky, amorphous, I don't know art but I know what I like kind of thing.

Here's the definition we propose when we're doing work with our clients on corporate culture:

Corporate culture: Patterns of accepted behavior, and the beliefs and values that promote and reinforce them.

One thing I like about this definition is that it helps explain why corporate culture is so difficult to change (not impossible, mind you, but difficult). Culture may show itself as how people behave…but that's really just the tip of the iceberg. Those behaviors arise from beliefs about 'how we ought to behave' and those arise from values – core principles people hold about what's important; what's valuable.

An example: in the second situation I mentioned above, the CEO thought his company was too 'nice' and he wanted this new person to come in help them be 'tougher.' However, his people behave in careful, accommodating ways because most people in the organization value kindness: they see being kind to others as a key element of the organization they want. The organization has hired and promoted to that value for many years. And further, they believe that being kind means being positive and somewhat indirect – avoiding confrontation and tough feedback.

So when this new exec came in, operating in a direct, no-nonsense way, and holding people explicitly accountable for results and for being honest about what was working and what wasn't — the organization had an allergic reaction. It wasn't just that she was behaving in new ways; to them she was trampling on their deeply-held (though largely unconscious) beliefs and values. And sadly, even though she started to get great results – she was just too big a disconnect on a cultural level.

Changing culture is a rather complex and delicate process; it doesn't happen by just throwing someone counter-cultural into the mix.

So beware: Don't make the mistake of thinking that corporate culture is some airy-fairy thing that doesn't really matter. If you're thinking of joining an organization, explore the culture to see if it's a good fit for you. (Here's a good little article about how to do that, with links to other related articles, from monster.com.) And if you're a manager or a staffing person, get very clear on what your company culture is, and look for a fit with your culture as assiduously as you sort for experience and skills when hiring someone new.

When we're called into coach a new executive who has run into a cultural buzzsaw, we first look to see how big the gap is between that person's beliefs and values and those of the organization. If the gap isn't too great – if it's bridgeable – we work with the executive (if he or she is willing) to shift toward the culture (especially in terms of behaviors). If the gap is too big to cross, we suggest the company and the executive part company, so the person can be freed to succeed somewhere else. And we always encourage both executive and organization to avoid running into the same problem next time by putting "check for the cultural fit" high on their list of to-dos.

http://www.forbes.com/sites/erikaandersen/2014/06/10/why-so-many-new-employees-dont-succedd/