



TURKNETT
LEADERSHIP
GROUP

Executive Derailment

The high value, high cost
employee

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You Might be in Trouble if You Believe

- *"I was brought here to shake things up."*
- *"I've been at this a long time. I'm pretty sure I know what I'm doing."*
- *"There's only one thing I'm interested in and that's results."*
- *"Hey, I did MY job."*
- *"I 'm not getting paid to make people like me. If I'd wanted to run for Miss Congeniality I'd have bought a tiara."*

Dangerous Perspectives

- *“If I’m not appreciated for all I do I’m out of here.”*
- *“Why am I the only one around here who gets it?”*
- *“It’s possible I might have raised my voice a little bit.”*
- *“You know it’s only business, right?”*
- *“Of course, I agree with you in principle, but you have to be realistic.”*



What does it mean to “Derail”?

When a manager who was expected to go higher in the organization and who was judged to have the ability to do so is fired, demoted, or plateaued below expected levels of achievement.

Lombardo & McCauley (1988)

Statistics of Derailment

- *“Approximately 30% to 50% of high-potential managers and executives derail at some time during their career.”*

Lombardo & Eichinger (1995)

- **Willingness and ability to learn from experience differentiate at-risk executives who regain traction in their careers from those who do not.**

Organizational Cost of Derailment

| <i>Average Number of years in job: 1.6</i> | Average |
|---|--------------------------------|
| Cost in hiring (e.g., search fees, HR department time, assessments, etc.) | \$31,643 |
| + Compensation (all years) | \$255,452 |
| + Cost of maintaining person in job (e.g., office rental, travel, etc.) | \$67,653 |
| + Severance | \$33,962 |
| + Cost of mistakes, failures; wasted and missed business opportunities | \$1,232,092 |
| + Cost of disruption (e.g., lowered morale, teamwork, productivity, etc.) <i>most likely underestimated depending on whether good workers leave the organization due to</i> | \$242,356 |
| + Sum of costs (#1-6) | \$1,863,158 |
| - Value of Contribution | \$360,721 |
| Net Average cost of mis-hire | \$1,502,436 |
| | (14.6 times base compensation) |



Size matters

Derailing characteristics are magnified through the lens of leadership. At the individual contributor level, impact will often be contained to the individual's immediate organization or function. At upper leadership levels, they reverberate throughout the organization and affect virtually everyone.



The Problem: Step One

- What are the characteristics you look for in candidates for hiring or promotion?

Characteristics you look for . . .

- Intelligent
- Likeable
- Focused
- Ambitious
- Committed
- Passionate
- People skills
- Experienced
- Charming
- Confident
- Driven
- Strategic/Visionary
- Professional
- Innovative
- Integrity

Common Derailers

- **Intelligent** → **Intellectually Arrogant, Dismissive, Devaluing of Others**
- **Likeable** → **Indecisive, Risk/Blame Avoidant**
- **Focused** → **Narrow Perspective, Closed Minded**
- **Ambitious** → **Manipulative, Self Serving**
- **Committed** → **Workaholic**

Common Derailers

- **Passionate** → **Dominating, Reactive, Excessively Emotional**
- **People Skills** → **Spineless—needs to be liked, won't make tough decisions**
- **Experienced** → **Rigid, Closed Minded**
- **Charming** → **Manipulative, Self serving, Deceptive**

Common Derailers

- **Confident** → **Arrogant**
- **Driven** → **Indifferent to People,
Ruthless**
- **Strategic/
Visionary** → **Disconnected from
Reality**
- **Professional** → **Impersonal,
Insensitive**
- **Innovative** → **Erratic**
- **Integrity** → **Judgmental**

When taken to the extreme . . .

- Driven,
Experienced,
Focused,
Committed
-
- Ruthless,
Rigid, Narrow
Minded,
Workaholic

“Bulldozer”

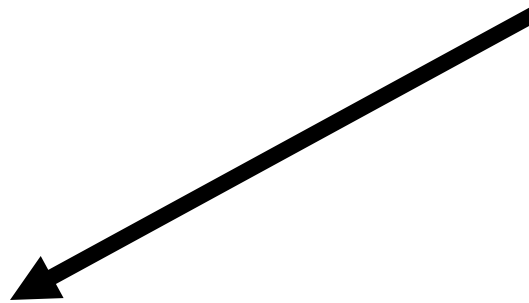


When taken to the extreme . . .

- Intelligent,
Innovative,
Visionary



Intellectually
Arrogant,
Dismissive,
Erratic,
Disconnected
from reality



"Savant"

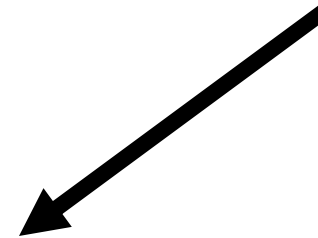


When taken to the extreme . . .

- Committed,
Likable,
People
Person



Spineless,
Indecisive,
Political



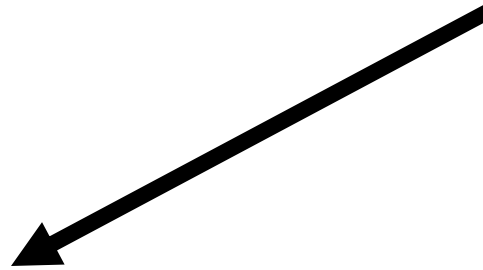
“The Chameleon”

When taken to the extreme . . .

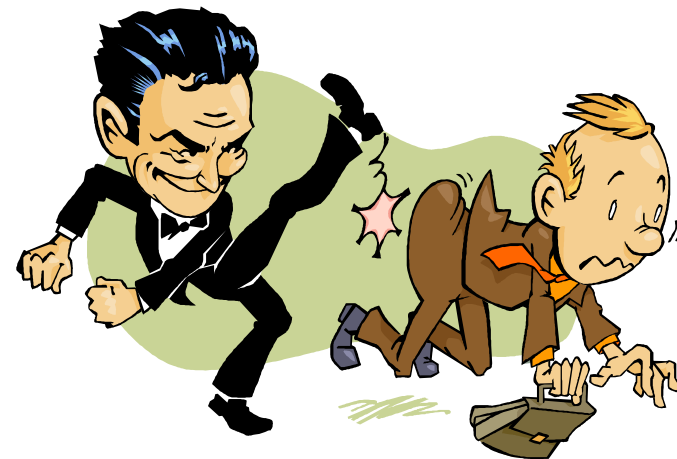
- **Passionate,
Committed,
Focused,
Driven**



**Ruthless,
Dominating,
Closed Minded,
Workaholic**



“Bully”



When taken to the extreme . . .

- **Passionate,
Experienced,
Professional,
Ambitious,
Committed** → **Dominating,
Overly Emotional,
Insensitive, closed
Minded, Self-
Serving,
Workaholic**

**“Change
Monster”**



Sad but True

These derailers are often noted in advance, but frequently overlooked or forgiven because of the individual's high potential or because their strengths were highly valued.

Denton et. al. (2006)



High Potential or Future Derailer?

- Both high potentials and future derailers possess strong problem solving skills.
- High potentials are able to acknowledge that the skills they have at present are not likely to be sufficient to sustain them at higher levels.
- Future derailers are free from such concerns.

Leadership Character Model



Success requires leadership character at all levels of an organization.

The Problem: Step Two

“The purpose for thinking is to eliminate the need for thinking.”

Ed DeBono

- **High potentials face the challenge of learning new skills and perspectives.**
- **Derailers have the same challenge but don't necessarily know they have it.**



The Problem: Step Two

- **Why can't derailers learn from their experience?**
 - What they are doing has worked, usually for a long time.
 - People don't change problems they don't have.

How to Fix Derailure

- **In order to alter the trajectory of a potential derailure, two circumstances must exist:**
 1. **The organization must be unwilling to tolerate the behavior.**
 2. **The executive has to believe this to be the case.**



Behavior Broken Down

- **Most if not all behavior is problem solving.**
- **All problems are problems of emotional regulation.**
- **Emotion flows automatically from our understanding of our circumstances.**
- **All motivation is therefore emotional in nature and is the result of our understanding of our circumstances.**

Motivation

- Motivation comes in two forms:
 1. What we want
 2. What we don't want, i.e., what we want to escape or avoid

Therefore:

It is critical to want and/or not want the right things.

Motivation

Negative

• Fear / Anxiety – AVOID

ESCAPE

Pain

Shame

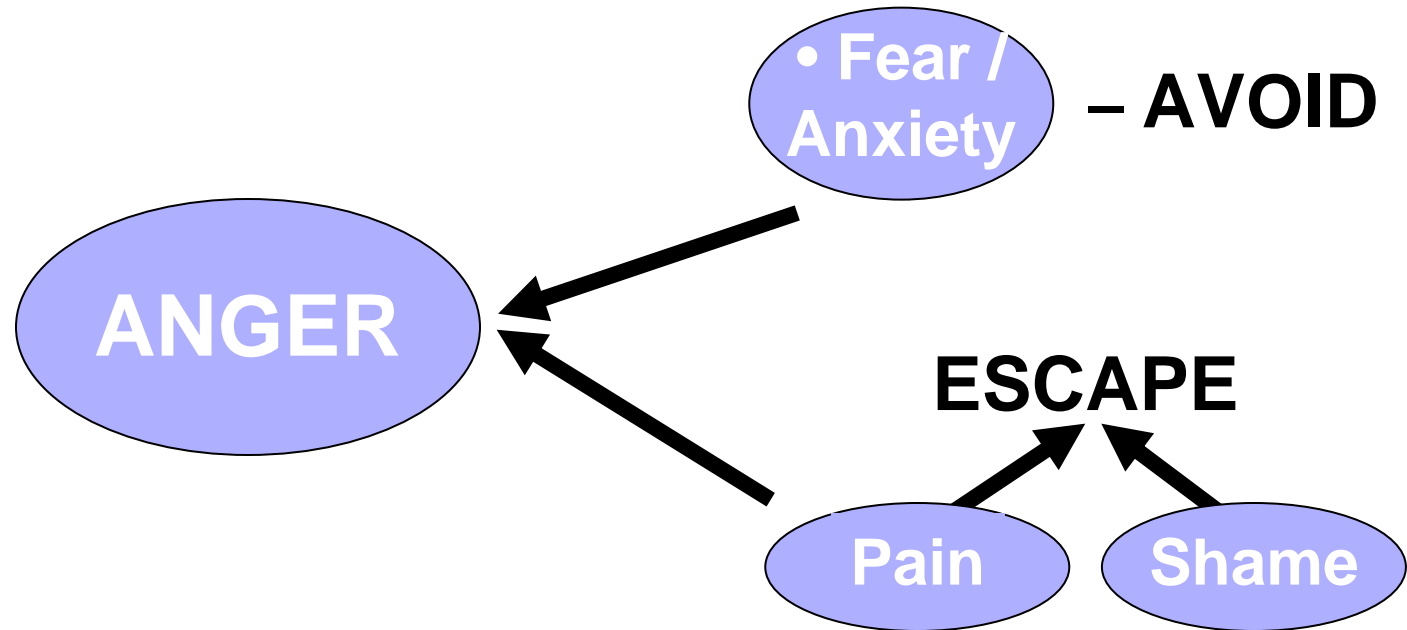
Positive

• Excitement – Approach and/or Achievement

• Curiosity

Motivation

Negative



Communication Broken Down

- Most if not all communication between people is undertaken in an effort to create a particular emotional set in the other person.
- Knowledge of impact is therefore critical to being a good communicator.
- The majority of high risk executives are either oblivious or indifferent to their impact.





The Problem of Perspective

- All at-risk, high value employees suffer from a similar problem:
- They are solving either the wrong problem or failing to solve a key component of the right problem.

Re-Railing

- In order to get potential Derailers back on track two things have to happen:
 1. Their understanding of their circumstance has to change
 2. Their awareness of their impact on others has to improve



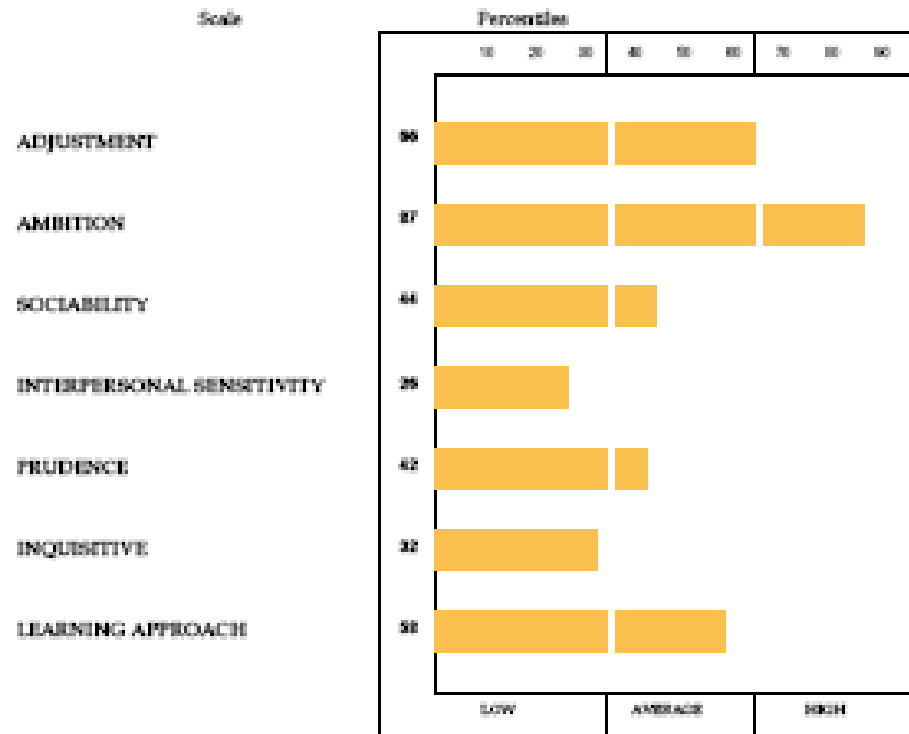
Prevention

- **There are two factors that help mitigate the risk of hiring or promoting a derail:**

- 1. Adequate pre-hire rigor**

LEADERSHIP POTENTIAL PROFILE

This Report is Valid and Interpretable



Prevention

- **There are two factors that help mitigate the risk of hiring or promoting a derailer:**
 - 1. Adequate pre-hire rigor**
 - 2. A robust culture of accountability**



Tools for Re-railing

- 1. Candor from management with measurable accountability**
- 2. Hard-hitting 360 Feedback**

360 Feedback

nd.TLG0907 - 8/30/2007

360 Degree Feedback for *John Demo*

Five Factors of Effective Leadership

| Factor Name | | | | | | Raw Score | T-score |
|--------------------------------|--|----|----|----|----|-----------|---------|
| | 30 | 40 | 50 | 60 | 70 | | |
| Disciplined Execution |  | | | | | 3.8 | 45 |
| Building Relationships |  | | | | | 2.9 | 32 |
| Strategic Thinking |  | | | | | 3.6 | 45 |
| Inspirational Character |  | | | | | 3.3 | 39 |
| Developing Others |  | | | | | 3.3 | 41 |

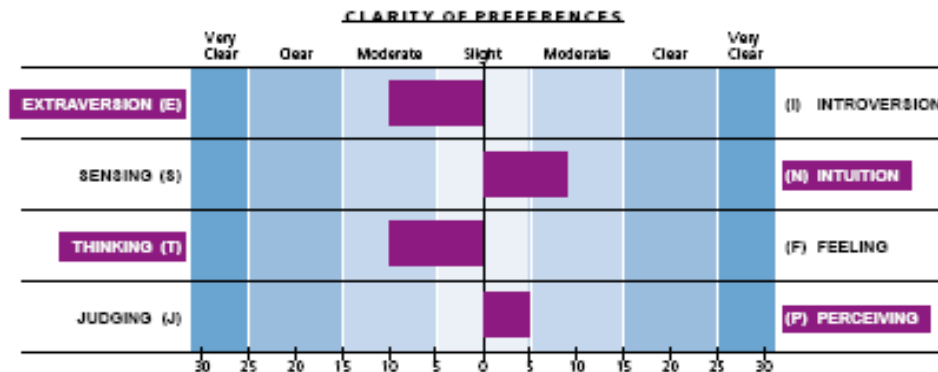


Tools for Re-railing

- 1. Candor from management with measurable accountability**
- 2. 360 Feedback**
- 3. Well understood personality assessment**

Your Step I Results

The graph below and the paragraphs that follow it provide information about the personality type you reported. Each of the four preferences you indicated is shown by a bar on that side. The longer the bar, the more clearly you have expressed that preference.



Your type came out to be
ENTP
 (Extraversion, Intuition, Thinking, Perceiving)

ENTPs are typically enthusiastic innovators, seeing new possibilities, different theories, and new ways of doing things. They are quick to see patterns. They have a lot of imagination and initiative for starting projects. Being competent is very important to them.

ENTPs' energy comes from what is new and different, and they enjoy spontaneity and taking action. They can become so interested in their current projects that they drop other less exciting things.

Because they see so many possibilities, ENTPs may have difficulty picking those with the greatest potential. They dislike routine and find it hard to apply themselves to the sometimes necessary details involved in finishing projects. They become bored easily.

They are most interested in logically analyzing ideas and theories. They can speak to all sides of an issue, and they may change sides if no one is championing the viewpoint of that side. The challenge of the discussion is more important to them than reaching agreement.

ENTPs are likely to be most satisfied in a work environment that focuses on global issues and is full of change and challenge. People can count on them to come up with innovative solutions to problems.

DOES THIS TYPE FIT YOU?

Note the parts of the description above that fit you and any that don't. Your Step II results on the next pages may help to clarify any areas that do not describe you well. If the Step I type you reported does not fit, your Step II results may help suggest a different type that is more accurate for you.



Tools for Re-railing

- 1. Candor from management with measurable accountability**
- 2. 360 Feedback**
- 3. Well understood personality assessment**
- 4. Regular opportunity to reality test their understanding of their circumstances and a sounding board for new strategies**
- 5. Regular feedback from their manager and team**

It Can Be Done

- **“_____ has grown tremendously this year in all ways. He has become a leader that his peers look up to for leadership and guidance. He is more tolerant of others, more willing to work with them to help them develop. He is more patient and willing to work within the system to get things done rather than lose patience and work around the system. Very analytical, inspirational, insightful sales leader.”**



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