



Improving Individual and
Organizational Performance

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SUPER WORKER TO LEADER

*HOW MUCH ARE THESE INTERNAL TRANSITIONS
COSTING YOUR COMPANY?*

No matter what terminology a company or organization uses, when they promote from within, it typically involves a “Super Worker” moving from individual contributor to leader with a title change and an expectation of performance. Have you ever stopped to consider what kind of metamorphic experience a Super Worker promoted on Friday goes through over a weekend to return Monday morning prepared to be a leader of people?

You might think of it as “The Weekend Miracle”

Webster defines a miracle as an event or action that apparently contradicts known scientific laws and is hence thought to be due to super natural causes. This practice touches upon the *supernatural* when you consider that almost all of these promotions or transitions require hot landings where the new leader is expected to hit the ground running. The *contradiction* is, an average of 40% of new leaders going into starting roles fail within 18 months. Studies done between 1998 and 2005 by the Center for Creative Leadership, Right Management, Leadership I.Q. and Top Grading’s Brad Smart confirm these findings.

Depending on your perspective, you may think that poor hiring practices and undeserved promotions are the primary reasons for these failed transitions. There is no doubt organizations today have to be more deliberate in their hiring practices to compete for and attract the best talent for their organizations. However, considering the percentage of transitions that fail, the number is much too high not to be understood as a development challenge. While failed transitions and turnover are costly to organizations, you can’t underestimate the impact on the most talented performers who lose trust in leadership and begin to emotionally separate from the company. The price tag associated with turnover varies by position and industry, however it generally includes the cost of recruitment, training, lost productivity, lost sales and new hire costs.

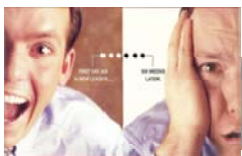
The following sources offer a rule of thumb calculation based on annual salary:

- ▶ U.S. Department of Labor – 1/3 annual salary
- ▶ Hay Group – 6 – 18 months’ salary (Prof Position)
- ▶ American Management Association 25 to 200%

It doesn’t matter how you calculate your organization’s costs. The bottom line impact from failed transitions at the hands of ill prepared first level leaders is significant.

What about Leadership at the top....

Peter Drucker pointed out that the true test of an organization’s skill at creating effective leaders lies not in its ability to create CEO “geniuses or supermen.” Rather, it lies in the organization’s ability to consistently and systematically develop strong managers at all levels of the hierarchy. An organization that has a strong senior management team but lacks bench strength will find itself in trouble sooner rather than later.



**No Transition is harder
than becoming a leader
for the first time...**

The real trouble that business organizations face today is in their ability to execute. According to a global survey of 769 executives released by the Conference Board in 2007, Execution has even taken precedence over profit and top-line growth as a focus for business leaders around the world.

The case for preparing first level leaders has never been greater! In the face of accelerating change and increasing uncertainty, only leaders who know who they are and where they are going will succeed. They need to do more than manage change. They must thrive on it....

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