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MARSHALL GOLDSMITH ASK THE COACH [RSS Feed](#)

Evaluate How You Fit Your Company Culture

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This week's question for Ask the Coach:

While moving up the organization, I've noticed a high turnover in the senior ranks. It seems like a lot of talented people who were once successful fail to make the grade. How can I increase the likelihood that I will not end up like these casualties?

MG: This is a significant challenge for executives today. How can you avoid being another turnover casualty? Nat Stoddard and Claire Wyckoff recently wrote about this in their new book *The Right Leader: Selecting Executives that Fit*. I asked them to give us their take on this question.

Nat and Claire: Thank you Marshall! Your reader's observation is absolutely correct. Over 64 percent of new CEOs (whose data is most readily available) fail to make it through their fourth year in the job, while 40 percent are gone in 18 months. Turnover rates for all senior executives have increased significantly during the past decade — in excess of 50 percent. In fact, they're up over three times the rate that they were throughout most of the 1990s.

The problem is not that executives can't do their jobs. The problem often lies in the fact that they may not fit the situation well enough to deliver the changes expected of them. By "fit" we mean how well an executives' character (especially their values and beliefs) aligns with the culture of the company, where the necessary and expected changes must be delivered. If the character of the leader is not closely aligned with that of the organization, then, as Peter Drucker originally pointed out, *followership* will not occur — people won't trust a leader who doesn't share their values, and, without trust, they will not follow him or her. It is this lack of proper "fit" that causes so many senior executives to fail.

When you're considering a promotion or a move, the key is to ensure not only that your skills and abilities match up with the needs of the organization, but that you fit well with the organization's culture. There are three things to consider: the culture of the organization at large, that of the team of which you will be a member, and that of the team you'll be expected to lead.

The following are a few suggestions for reducing the risks of becoming a casualty of cultural conflict:

1. Know thyself. We encourage candidates to take a number of psychological and behavioral assessments. It is vital to understand yourself as fully as possible — especially your business-related beliefs and decision-making processes. It's also helpful to identify those aspects of different cultures that you relate to and those you don't. Write them down and refer to them as you gather data about the opportunities under consideration.

2. Inquire about the cultures at hand. Do the people you are interviewing treat culture as "that soft 'people' stuff?" That in itself tells you a great deal about the relative importance of culture in this organization, and its members' understanding of the challenges facing newly appointed leaders like yourself.

3. Use your network to verify what you have observed about the company's cultures. Former employees, suppliers, or consultants can shed light on what you will actually encounter. You can also ask to obtain permission to talk to a few potential peers, direct reports, your boss's boss, and members of the board. Think through the questions you want to ask about "how things get done around here" to get a sense of how much agreement there is about the makeup of the organization's culture.

Remember, while a new situation may seem like the perfect match, failing to fit adequately with the company cultures you encounter will increase your chances of becoming a turnover statistic. What's more, the higher up you go in any organization, the more important fit becomes — and the more difficult it is to recover from a situation that "just didn't work out."

MG: Thank you Nat and Claire! Readers, I'd love your comments on culture, fit, and turnover. Please send me your thoughts!