

**DEPARTMENTS**

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**LEADERSHIP IQ STUDY: WHY NEW HIRES FAIL**

According to a study released in September 2005 by the Washington, D.C.-based leadership and training company Leadership IQ, 46 percent of newly hired employees will fail within 18 months, while only 19 percent will achieve unequivocal success.

But contrary to popular belief, technical skills are not the primary reason why new hires fail; instead, poor interpersonal skills dominate the list, flaws that many of their managers admit were overlooked during the interview process.

The study found that 26 percent of new hires fail because they can't accept feedback, 23 percent because they're unable to understand and manage emotions, 17 percent because they lack the necessary motivation to excel, 15 percent because they have the wrong temperament for the job, and only 11 percent because they lack the necessary technical skills.

The three-year study compiled these results after studying 5,247 hiring managers from 312 public, private, business, and health care organizations. Collectively, these managers hired more than 20,000 employees during the study period.

The failure rate for new hires should not be surprising: 82 percent of managers reported that in hindsight, the interviews elicited subtle clues that these employees would be headed for trouble. But during the interviews, managers were too focused on other issues, too pressed for time, or lacked confidence in their interviewing abilities to heed the warning signs.

The typical interview process fixates on ensuring that new hires are technically competent. But coachability, emotional intelligence, motivation, and temperament are much more predictive of a new hire's success or failure. Do technical skills really matter if the employee lacks drive, alienates coworkers, isn't open to improving, and has the wrong personality for the job?

The study tracked the success and failure of new hires and interviewed managers about their hiring tactics and the new hires' performance, personality, and potential. Here are the top areas of failure, matched with the percentage of respondents who cited each:

- Coachability (26 percent): Ability to accept and implement feedback from bosses, colleagues, customers, and others.
- Emotional intelligence (23 percent): Ability to understand and manage one's own emotions, and accurately assess others' emotions.
- Motivation (17 percent): Sufficient drive to achieve one's full potential and excel in the job.
- Temperament (15 percent): Attitude and personality suited to the particular job and work environment.
- Technical competence (11 percent): Functional or technical skills required to do the job.

The study found no significant difference in failure rates across different interviewing approaches (behavioral, chronological, case study, etc.). However, 812 managers experienced significantly more hiring success than their peers. What differentiated their interviewing approach was their emphasis on interpersonal and motivational issues.

If managers focus more of their interviewing energy on candidates' coachability, emotional intelligence, motivation, and temperament, their hiring success will improve. Technical competence remains the most popular subject during interviews because it's easy to assess. But it's a lousy predictor of whether a newly hired employee will succeed or fail.

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