

Why CEOs Fail in the First 12 Months

The Stakes Are High

CEOs are architects of a company's future. Beyond day-to-day operations, they set vision, make strategic decisions, and shape organisational culture.

Research shows:

- **45%** of company performance is attributed to the CEO (McKinsey & Company, 2024) and CEOs are responsible for at least **25%** of a company's market value (Mackey, A. 2008).
- Top-performing CEOs deliver **2.8x more total shareholder return** than average performers (McKinsey & Company, 2023).
- Only **three out of five** CEOs meet performance expectations within their first eighteen months, and just **one in twelve** companies achieve top performance within a decade (McKinsey & Company 2023).

Why Transitions Fail

More than **70%** of executive transitions fail within the first 18 months due to:

- **Cultural Mismatch** – Lack of fit with organisational values and norms.
- **Insufficient Onboarding** – Fewer than 30% of executives receive effective C-level onboarding.
- **Role Ambiguity** – Only 49% understand expectations on day one.
- **Poor Stakeholder Engagement** – Failed communication with boards, teams, and key partners.
- **Organisational Politics** – Failure to identify informal influence networks.
- **Emotional Intelligence Gaps** – Low self-awareness and adaptability.

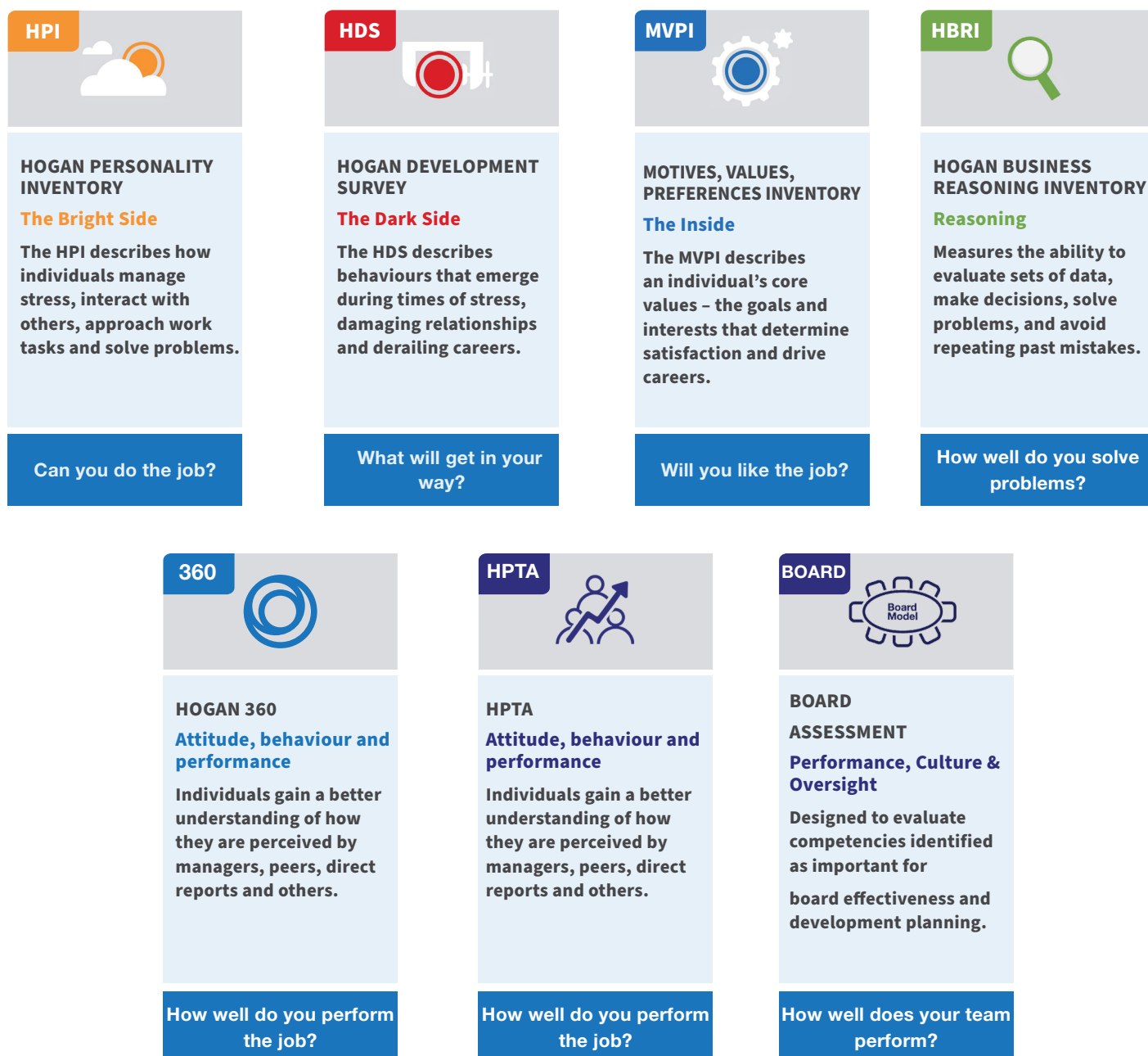
The 7 Steps to a Successful CEO Transition



PBC's Valid and Reliable Approach

At PBC Hogan, we use Hogan Assessments and Hogan 360 to:

- Identify **derailing tendencies** before they impact performance.
- Develop customised CEO success profiles.
- Improve selection accuracy by up to **23%**, reducing costly mis-hires.
- Support onboarding with data-driven insights into personality, values, and culture fit.



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