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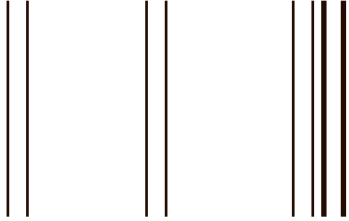
Onboarding Executives for Success

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About one-third of new managers and executives will fail at their new jobs and leave within 18 months, according to a 2005 study by Right Management Consultants. Other studies suggest the figure is as high as 50 percent.

The direct costs to the company of a failed external hire (the costs of recruitment, relocation, and severance) can be as much as 10 times the executive's salary. The indirect costs of loss of productivity, morale, and reputation can be even more significant.

When a long-time employee proves unsuccessful in a new executive role and departs, the company is likely to face multiple risks: drain of valuable knowledge and experience, severed network of work relationships and the loss of investment made in leadership development. And the loss might not stop at one individual — other talented employees often follow their departing leader to the competition and cause disruption with those who stay.

Given what's at stake, it's surprising how few companies have taken a proactive stance at executive onboarding, let alone instituted a formal and rigorous approach that goes beyond providing the staple employee orientation.

What is Executive Onboarding, and Why Does it Matter?

Executive onboarding refers to the process an organization puts in place to integrate new executives to the point where they are fully accepted, productive, and successful in their role. Organizations have much at stake with the successful onboarding of new executives, considering the great need for talent and the large investment of hiring an outsider.

Likewise, the risk of failing at executive onboarding is multifold, from the loss of ROI in selecting and hiring new members to the negative impact early departures can have on the organization's climate.

Challenges to effective onboarding can quickly mushroom with each additional element of change, be it a new kind of work (e.g., marketing to operations), addressing a new situation (e.g., growth to a turnaround), promotion (e.g., director to vice president), new company (e.g., to competitor, supplier or customer organization), new industry (e.g., pharmaceuticals to high-tech) and new geography (e.g., United States to Asia).

Why Onboarding Fails

We have found reluctance to implementing an onboarding program stems from two fundamentally flawed assumptions: one on the part of the organization, and one on the part of the new executive.

The Organization's Mistake

"We have hired a senior person. That person should be able to figure it out on his or her own." Most companies heavily invest in the executive search process to find the right leadership talent, then they mistakenly assume the process ends with the hiring decision. They have high expectations of the leaders they have worked so hard to recruit, and they expect that person to start making an impact on Day 1. The new executive is largely left alone to figure out how the organization works.

Even for the most experienced, talented, and capable executive, the anxiety of trying to perform

immediately in a still-foreign environment can lead to floundering, serious mistakes, and unintentionally bruised relationships. In the absence of any structured help from the organization, he or she also risks being unduly influenced by the more proactive and persuasive individuals who move quickly to promote their own agenda with the new boss.

Michael Watkins, author of *The First 90 Days*, has extensive experience helping executives integrate. He said it's about six months before there is a real sense the individual is contributing net value to the company. The "sink-or-swim" approach unnecessarily prolongs that adjustment and the resulting loss of productivity.

The problem is exacerbated for the executive promoted internally because the assumption is that he or she already knows the organization. In fact, a move to a different business unit, a different function, a different geography, or a different type of challenge (such as a new business launch, integrating an acquisition, or turning around a struggling unit), can present just as much of a challenge as the transition to a new company. Results from Oliver Wyman's research on organic growth point to the importance of growing talent on the inside of the organization through strategic assignments. Organizations increasingly turn to moving talent, which coincides with the need for sound and successful onboarding processes and roles.

The Executive's Mistake

"I need to prove myself and make my mark as soon as possible." Newly hired executives can make matters worse by putting unrealistic expectations on themselves. They might feel that asking for onboarding support would be perceived as a sign of weakness, or that quick, decisive action is necessary to send the message to their team, peers, and boss that they are "in charge now and know what to do."

They might even be arrogant enough to think they don't need to learn about the organization before putting their mark on it.

The danger with executives who have this attitude is that they are prone to re-enact what's worked for them in very different contexts, which might not be successful in their new situation. More important, they will miss forging the relationships that are essential for long-term success.

Additionally, they might fall into the trap of confusing activity with impact, starting lots of initiatives in the hopes that at least some will be successful, wreaking havoc and diffusing focus in their organization.

Effective Onboarding: A Partnership

A formal and structured approach to onboarding helps new executives shorten the learning curve and meet performance expectations sooner. The best approaches recognize that both the executive and the organization (direct manager, human resources, mentors and "confidantes") have important parts to play in the process.

The Executive's Responsibility

For his or her part, the new executive has three major tasks: learning about the organization, building relationships, and setting the stage for performance.

1. Becoming a Student of the Organization

The first priority of any executive in a new role should be to learn — about the organization's history, its values, vision and mission, strategic plans, leadership structure, metrics and performance, processes, and practices.

The official documentation of these components is only a starting point. In fact, research cited in the March 2007 issue of *The Journal of American Academy of Business* indicated that, by far, the most important mistake of new incoming executives in their first 90 days is not taking time to understand the environment and culture before making changes and coming in with "the" answer.

It will take time and patience to understand the organization's important cultural nuances, identify

One Company's Approach

At a leading Canadian biotech and pharmaceutical company, the onboarding process includes:

- Assigning a senior executive mentor/buddy outside the formal reporting relationship.
- Participation in a corporate transition leadership workshop, during which participants create an individualized onboarding plan. The workshop also provides opportunities to network with peers also making significant career moves.
- An external onboarding coach, who helps the individual through the process of identifying leadership expectations, critical success factors, key organization and business priorities, and important stakeholders, and who serves as a sounding board for early impressions and ongoing learning in the context of a six-month onboarding process.
- An individualized onboarding dashboard to measure success, which is assessed at the end of six months.

the informal networks and patterns of influence and learn how things really get done. The new executive should expect to spend significant time talking to people, asking questions, listening to the stories they tell. He or she also needs to understand what the person who held that role was like, as this will shape the expectations others have of how the role should be performed.

2. Building Relationships and Networks

The adage that you get only one chance to make a first impression should be framed and put on the wall of every new executive's office. From the first interaction, team members will be forming their answers to the question, "Why should I follow you?" and peers will begin to draw conclusions around "Can we trust and rely on you?"

Part of the learning process is identifying the influential stakeholders and decision makers, remembering that official organization charts are rarely a perfect reflection of where the real power lies. Step 2 is to start to build alliances with those who will be most critical to achieving the results for which the executive is accountable, or who can serve as sources of wisdom and insight about the organization. Again, it will take time to build trust and credibility. Learning what makes others tick, how different people like to work, their personal agenda and the unique strengths they bring to the organization provide important pieces of the puzzle and build the foundation for productive working relationships.

3. Setting the Stage for Performance

As they are studying the organization and building relationships, new executives constantly will be thinking about the results the organization expects them to deliver. They will be both forming their opinions on strategies to get there and starting the process of getting buy-in from key stakeholders in support of execution. It will be important to be clear in these early interactions what results the leader is accountable for achieving. As the view of how to get there comes into focus, the new executive needs to be disciplined about communicating expectations, objectives, and goals. People will want to know how individual and team performance will be measured, as well as how they will be rewarded for success in delivering. They will need ongoing communication about how they're doing as individual employees and as a collective unit.

The Organization's Responsibility

New executives can't do all this alone — they need access to information (documents and people), and they need guidance to focus their transition efforts in the most productive directions. The organization's part in effective onboarding starts with a proactive direct manager and an HR professional who ensures the right support infrastructure is in place.

An Engaged Leader

Leaders who are most effective at onboarding new

executives understand it's up to them to make the first move, offering help at the outset rather than waiting for a request for help that might not come. They must show they recognize the new executive will need time and resources to learn, build relationships, and set the stage for performance, and they must give explicit "permission" for this to happen. Ideally, this will take the form of a documented plan for the first 100 days that sets out realistic milestones and measures of progress along the way.

During the first six months, the new executive's direct manager should expect to pay extra attention to his or her leadership accountability to this individual, ensuring expectations are clear, providing regular and constructive feedback, opening doors with peers and upper management, visibly supporting the individual in public, and serving as a sounding board and coach in private.

Additionally, this person should also be prepared to keep an open mind when the new team member comes with questions, observations, or suggestions that seem off the wall or countercultural. The fresh perspective of an outsider might lead to exactly the kind of breakthrough thinking the organization requires to leap ahead.

A Supportive HR Partner

HR can serve as an important bridge between the recruiting phase and the onboarding phase, making sure there is a formal plan for managing the transition and for ongoing development and that both manager and new executive understand their respective responsibilities. The responsible HR business partner can assess the need for additional organizational support for the individual in the form of an official "mentor" besides the direct manager, or a "buddy" the executive can feel comfortable asking the stupid but essential questions.

The HR partner can provide a safe place for the new executive to test assumptions, vent frustrations, and gain insight on people and situations. He or she can serve as a coach both to the new execu-

tive and the direct manager, helping both individuals build a strong working relationship and mediating if difficulties arise. Finally, HR can ensure appropriate feedback mechanisms are in place for all involved in the onboarding process.

A Solid Investment

With so much at stake both for the business and for the individual who has put his or her reputation and self-esteem on the line in stepping up to a new challenge, there's a solid case for investing in effective onboarding. When both the new executive and his or her leader understand how to partner in learning, building relationships, and setting the stage for performance (and with the appropriate support from HR), the chances of a successful onboarding rise considerably. The time to results is shortened, and all concerned parties feel good about the process, as well as about working for a company that is prepared to invest in making its people successful. And this, of course, is an added competitive advantage to win the war for talent.

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Oliver Wyman is building the leading global management consultancy, combining deep industry knowledge with specialized expertise in strategy, operations, risk management, organizational transformation, and leadership development. Delta Organization & Leadership works collaboratively with CEOs and senior executives to meet the challenges of building talent, accelerating organizational performance, and driving business success. Our Executive Learning Center provides top-tier executive education around the world, designing and implementing customized programs that develop the leaders you need to compete and grow.

We bring deep expertise and a track record of high-impact solutions that minimize business risk by:

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