

LEADERSHIP EFFECTIVENESS



EXECUTIVE ONBOARDING

Is there a right way?

Organizations can spend several months and significant resources searching for and interviewing a new senior executive. Yet, after the offer is accepted and the individual joins the company, the onboarding process often does not receive the same level of effort and energy as the hiring process. Most organizations fully acknowledge that onboarding is important, especially with the well-documented high cost of failure — executive failures can cost up to 40 times the base salary of leaders, according to some research. That could be a multimillion-dollar mistake for even a mid-level executive.

The problem is not only costly, but also alarmingly common: According to *Fortune* magazine, about 40 percent of executives who change roles or get promoted fail in the first 18 months. While a number of factors contribute to an executive's performance and longevity in a role, strong onboarding programs can help improve the odds of success. Despite organizations' commitment to onboarding, some executives do not feel adequately prepared. A survey we conducted a few years ago revealed that 70 percent of CMOs were disappointed by their onboarding experience.

Typical onboarding programs cover the basics: meeting colleagues in different departments and geographies and providing information about the current operating environment and processes. Programs tend to focus on the short term often with little follow-up and tailoring for the executive's specific role. The lack of agreement among HR leaders, hiring managers, senior leadership and new hires on what exactly onboarding is (or should be) further compounds the issue. There is a wide range of views on what the process should entail, from simply providing a security pass and computer to pre-arranging a full slate of meetings with key stakeholders and a personalized welcome gift. David Wexler, vice president of human resources at Freshbooks, comprehensively defines onboarding as "the process of equipping new hires to successfully fulfill all expectations of them in their new roles, including understanding cultural aspects, forming effective and trusted working relationships, learning how decision-making occurs, and how to move from ideas to successful implementation."

In short, onboarding prepares a new leader to adjust to the social, cultural and professional components of the role.

Organizations that are not fully defining and maximizing their onboarding programs may not only be shortchanging their new executives, but their bottom lines: Companies with strong onboarding programs see 2.5 times the profit growth and 1.9 times the profit margin than those that don't, according to The Boston Consulting Group. What does a successful onboarding process look like? How can onboarding shift from being a check-the-box exercise that spans only the first few weeks to a longer-term, fulfilling experience for both the organization and the new executive?

Myths about onboarding

Misconceptions about onboarding can undermine its value and deter organizations from ramping up their efforts. Here are four common myths about onboarding that organizations need to dispel in order to advance their efforts.

1

It's an unnecessary expense with uncertain returns.

Corey Heller, chief human resources officer at Florida Blue, believes many companies rationalize not investing more heavily in onboarding by operating under the assumption that hiring and onboarding are hit-or-miss propositions where it is simply expected that one-third of new executives will not work out. Some do not think spending more to enhance onboarding is worthwhile because the signs of its failure are not immediately obvious. After spending significant time and resources on the hiring process, the perception is that executives who have reached a senior level are smart enough — and paid well enough — to hit the ground running. Because they already possess institutional knowledge, internal promotions can be especially vulnerable to this notion. To ensure internal promotions do not fall victim to this misconception, Hugh Mitchell, chief human resources and corporate officer at Shell, says the company has a separate onboarding program for internal leaders who are transitioning to new roles.

2

A challenging onboarding experience is a rite of passage and proving ground for new talent.

Some companies consider a challenging onboarding process both a badge of honor and a means of corporate Darwinism. Evelyn Gardiner, group human resources director at Kingfisher, has found that some organizations use sparse (or nonexistent) onboarding processes as a way to determine who can succeed with little to no support. "Subliminally, 'sink or swim' is the default mentality that some organizations and the people recruited have," says Gardiner. "You could almost argue that it's the last part of the recruitment process — you've got to prove you can cope with all of this."

One leader shared her own survival-of-the-fittest experience as a new executive at a multinational energy company: “I was thrown into a fairly amorphous world and the company at the time was very complex, and almost prided itself on its complexity and on your ability to navigate your way through it.”

3 New leaders need to focus exclusively on delivering immediate wins.

At senior-most levels, pressure is high to quickly make a tangible impact. “When a position has been vacant for a long time, the company likely spent lots of time and resources to fill it and, depending on the specific position, there could be potential revenue loss attached to that vacancy, so there’s this urge to move forward rapidly,” says Joe Cabral, chief human resources officer of Cleveland Clinic. He struggled with suppressing his own instinct to act early on during his recent onboarding experience; his CEO prioritized building a network within the organization and understanding the customer before fully diving into his role. Viewing onboarding as an ongoing process in which new executives gain a fuller perspective on business issues and build relationships — versus a springboard to simply put out fires — can help leaders take the right actions to benefit the organization for the long term.

4 Onboarding begins on Day One ... and ends on Day 30 or 60.

Some organizations believe onboarding does not commence until the official start date. When bringing on C-level executives, organizations with the strongest onboarding programs adopt “pre-boarding,” in which leaders are introduced to the culture during the interview process. Ideally, the executive’s future peers are included in these early discussions in order to provide multiple perspectives and also help set expectations. Well in advance of starting the role, the hired leader then prepares a 100-day plan that includes milestones and stakeholders.

In addition, some onboarding programs are deliberately short in order to allow the executive to jump into his or her new role. Mitchell says many companies fall into the trap of treating onboarding as a “sheep dip,” considering it a brief, one-time process. However, the strongest onboarding programs can continue over many months. For example, feedback sessions conducted after six or nine months in the role can give the new executive enough time to demonstrate “wins” while addressing emerging areas for development.

A spectrum of onboarding experiences

From cautionary tales to glowing reviews, senior leaders share stories of their own onboarding.

“I’m embarrassed to say that I’ve not had a decent onboarding experience since my days with a large consumer products company at the start of my career. In every role since then, the expectation has been either that I’d create my own onboarding schedule and/or that I’d simply hit the ground running. The worst onboarding experience I had was when I joined an organization as the second-in-command for a specific region. The day before I started, the head of the region called me at home to tell me that he’d resigned and that I was now in charge. Not only was there no onboarding, but I didn’t meet my new boss until one month into my role.”

“On my first day at a huge technology company, my boss said, ‘See that guy in the corner? Pick his brain because he’ll be gone in a month.’”

One senior executive relocated her family for a new position reporting to the CEO, but there was a complete lack of even basic onboarding — no meetings were scheduled with any colleagues and her computer and phone were not set up. Because she was in the process of moving, the company booked her a place to stay, but in a run-down motel in a dangerous neighborhood, where she was too afraid to leave the property for dinner. As a result of this negative experience, it took her twice as long to feel comfortable at the organization than she had in her previous roles.

“A couple months before I started, the organization invited me out to a baseball game and before they brought me out, they sent me a package with a nice note, a baseball cap and some team memorabilia. Then I periodically would get calls or emails from people I interviewed with to say, ‘How is it going?’ or ‘I can’t wait for you to start.’ It was really done by design to keep you engaged. Once I got here, I was escorted everywhere; I didn’t have to sort of hunt and peck, where oftentimes it’s left up to the executive to go figure everything out. They really made sure that you had a comfortable amount of time to get acclimated.”

Building better onboarding programs

Our discussions with HR leaders and other senior executives have revealed that the best onboarding processes — ones that give the new leader a foundation for long-term success — share certain characteristics. Companies can help improve their onboarding by taking the following actions.

■ Tailoring for the role, developmental needs and the situation

Often, onboarding involves various parties providing an overview of the organization in general, but not necessarily what relates to the new executive's specific role. Based on an assessment of the executive's capabilities and areas for development during the interview process, organizations can adjust the individual's onboarding to address specific areas. For example, the onboarding of a CIO transitioning to a company in a different industry can include an immersion with the product development and marketing teams to learn more about the product and its differentiators. Wexler observes that U.S. investment banks are particularly adept at predicting the obstacles new senior leaders are likely to encounter at which points in their roles and have tailored their onboarding processes accordingly.

■ Sharing truly need-to-know information

Many executives we've spoken with said they wish they had a list of "who's who" when they first joined their organizations. When Cabral joined Cleveland Clinic, he received an "Executive Book of Knowledge," which included key information about the organization from budgets to a list of full-time employees. As part of his onboarding process, Cabral was scheduled to meet the subject matter experts pertaining to each chapter to gain a fuller perspective.

In addition, onboarding should help new leaders understand the intangibles — who the decision-makers are, how decisions are made and cultural nuances that may not be immediately obvious. "Having a non-obvious stakeholder map is extremely helpful in onboarding," says Gardiner. "It's not just who they are and what level of influence they have, but it's also the aspects you would be blind to if you didn't really appreciate how certain people operate." It can also be valuable for HR to discuss employee engagement survey results to shed light on what is important to individuals

What can new executives do to maximize their own onboarding?

While organizations need to ensure they have solid onboarding processes in place, senior executives should take a proactive approach to familiarize themselves with their new roles. Here are four steps new leaders can take to get the most out of their onboarding.

■ Pay attention to first impressions.

One major advantage of being new is having a fresh perspective. Gardiner advises that new executives take advantage of this (fleeting) time of unbiased perceptions to make note of issues or processes that seem odd, interesting or that spark their curiosity, and discuss them at a later date with a mentor or HR leader. By the same token, expect that the impressions you make early on to be watched closely. Thus, avoid the temptation to cite how things were done in your previous roles and be respectful of the new position's history, especially when replacing a popular predecessor.

■ Tap external advisers.

Supplementing onboarding with external expertise can significantly enrich the experience. Some have found that executive search firms can be an objective source of information and a sounding board, helping the new leader to understand cultural nuances, key players, potential challenges and development areas even before Day One on the job. Heller used a firm that specializes in onboarding to conduct a workshop for him and his team when he began a new role.

throughout the organization, not just at the senior levels. Heller notes that change usually must take place on the front lines and taking the pulse of the broader organization can help new executives understand how to effect change successfully. Wexler recommends that CHROs schedule ongoing meetings with the new executive in order to establish a relationship as a trusted adviser on these “soft,” but nonetheless critical, issues.

It is also important that beyond explaining processes and procedures, organizations convey the reasons driving their operations. “I think we need to spend more time on actually explaining why we have what we have and why we do things the way we do them,” says Mitchell. “There’s the delineation between the ‘what,’ which we’re pretty good at communicating, but the ‘why’ and ‘how’ are the areas that we could always improve upon.”

■ Setting clear expectations

Although senior executives are hired based upon past experience, a lack of clear, agreed-upon expectations for performance in the new role is one of the biggest derailers of even the smartest leaders. “We once did a survey of experienced senior hires about the onboarding process and one person said, ‘It’s great, we were very welcomed. We get job descriptions, we get organization charts, we get accountability matrices, we get manuals of authority, we get all this stuff,’ and then said, ‘But at the end of it, I’m not actually sure what I’m meant to deliver,’” says Mitchell. At times, companies also make the mistake of assuming an individual’s high performance automatically translates into the ability to lead effectively within their specific culture. Heller recalls an instance in which an industry luminary did not last in an organization because the onboarding process did not fully convey that in its particular culture, a collaborative leadership style was just as important as technical knowledge.

■ Maximizing the predecessor’s presence

Overlapping with a predecessor can be extremely valuable to the onboarding process. “An executive joined us as a CEO and, by virtue of timing, we had three months with the person he was replacing,” says Gardiner. “The new executive was able to spend that time taking a full tour of the market and almost all the stores, which deeply immersed him into the businesses around the group. I remember people thinking at the time, ‘When is he going to get into his proper job?’ but that time with the outgoing CEO exploring the markets really helped.” Heller had a similar onboarding experience

Finding an onboarding coach or mentor can also be beneficial when you have not changed roles in a while or need to shift your leadership style to adapt to the new organization. Books on the topic can also help provide executives with a supplementary framework for their onboarding.

■ Ask for the information you need.

This step sounds simple and yet, it is often overlooked. Executives need in-depth information relevant to their specific roles and if it’s not provided, they must be interrogative to draw it out. “In my first group HR role, I was just glad to be there, so anything that anyone shared with me was a privilege,” recalled Gardiner. “If I was doing it again, I would be far more demanding and push for the information that’s important to me, not just what you feel is important to tell me.” Additionally, ask your HR leader for a document outlining the onboarding process so that you can both ensure you are meeting important milestones and receiving the guidance and resources you need.

■ Build relationships early.

It can be easy to underestimate the importance of people in the face of seemingly more pressing priorities. However, laying the foundation for strong relationships can spark the collaboration necessary to achieve those goals. Plan to travel extensively within your first 100 days to forge both internal and external relationships, particularly in a multinational or global role. Actively listen to colleagues and resist the impulse to make decisions too quickly. Be visible to those in your area of accountability and establish two-way communication channels. It can also be helpful to connect with your immediate supervisor at least once per week during the first 100 days to gauge expectations and build rapport.

during which he leaned on his predecessor as a mentor and liaison to the board. However, in some instances, the predecessor can do more harm than good to the onboarding process. Some outgoing leaders can have difficulty turning over the reins, so their successors should rely on HR as a resource in navigating this delicate situation. Limiting the overlap to two to four weeks can help with the hand-off; otherwise, both the new leader and predecessor may be viewed by the organization as lame ducks.

■ Assigning dedicated ownership

The majority of leaders we spoke with agreed that the most successful onboarding programs include three major players: the individual executive, the executive's boss and HR. At the same time, most acknowledge that though that trio is core to onboarding, the process requires participation throughout the organization by functions that will work regularly with the new executive. Cabral believes onboarding is everyone's job, noting that the onboarding process at Cleveland Clinic was a collaborative one touched by numerous parties.

Wexler holds a similar "it takes a village" stance. In his view, the most robust onboarding programs include discussions with numerous stakeholders so that the executive becomes familiar with the board, executive team, the vision and strategic plan, and the company's core values — with the goal of learning what is important to the organization, where it is and where it wants to be.

■ Taking a holistic approach to the personal and professional

At the senior executive level, lines between work and home life are blurred and, often, if one area suffers, so does the other. Thus, it is vital that onboarding span the personal and the professional universes, particularly for executives who relocate. Cabral's time in the military first introduced him to the concept of such comprehensive onboarding: When starting a new role, the individual is assigned a mentor who not only teaches him or her the new job, but also helps navigate the seemingly small, but nevertheless important, ins and outs of the new post (e.g., the location of the mess hall). If the individual brings his or her family, the military assigns an entire family to help them acclimate. Additionally, small gestures can make a significant impact in onboarding and making a new leader feel welcome. During the interview process, one executive was asked about her favorite candy and on her first day, found a bowl of her preferred treats waiting on her desk.

■ Incorporating the reverse onboarding needs

Onboarding is not just about the new leader adapting to the organization, but the organization adapting to the new leader — especially if the executive is being brought in as a change agent. "You can't parachute in new executives to change the culture, you need to energize the entire organization," says Heller. He conducted a 6.5-hour workshop with a new president on how to communicate about the new vision and interact with his team, which, in turn, helped the team cope with the change and understand the mandate behind it. After deciding on plans to shift from a conservative insurance organization to a more agile, lean healthcare services model, Florida Blue's CEO's second senior executive hire was a new chief communications officer to help the entire organization understand and embrace the transition.

■ Focusing on culture

Cultural mismatch is one of the primary reasons senior executives fail, making culture an essential component of executive onboarding. However, discussions of culture must be a two-way street. Just as the organization must determine if the executive is a good match, it must provide the potential leader with an accurate picture of life at the company during the hiring process. One HR leader said that for her company, onboarding starts during the interview, when interviewers attempt to uncover the personality of the candidate, while also being very candid about the culture at the outset. It has been said that "culture eats strategy for lunch," so the worst thing an organization can do is not be honest about the culture, according to Cabral.

Many times, organizations think they are being forthcoming about the way they work, but do not realize they are either not fully communicating or are overlooking important nuances. One CHRO recalled an earlier experience at a leading professional services firm: "We worked with a group of senior hires to understand the biggest roadblocks they encountered early on, and what we heard from them was fascinating. A lot of the cultural norms that people explained were true, but not the full picture. The company was very proud of its non-hierarchical structure and talked a lot about this in interviews. But what we heard from this group was that this non-hierarchical approach applied to intellectual thinking and ideas, but not to process and social norms. Understanding this distinction early on may have helped some of these executives avoid obstacles."

Conclusion

A number of factors contribute to the success (or failure) of new senior leaders. After investing substantial time and energy into the hiring process, companies can improve the likelihood of a new executive's success by devoting a similarly robust effort to the onboarding process. Instead of viewing onboarding as a ramping-up period that concludes after a few weeks or months, organizations should treat the process as an ongoing journey of learning that helps the new leader — and the entire organization — succeed over the long term.

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