

HUMAN ELEMENT

## MANAGING YOUR RISKS

Why you should adopt a disciplined approach to ensure high-value hires are on board with your values and goals. **By Mark Brenner**



The soft stuff is always harder than the hard stuff. Human interactions are a lot tougher to manage than numbers and profits and losses." – Roger Enrico, former chairman of PepsiCo

Statistics abound related to the turnover of senior managers. According to a 2002 study of 2,500 publicly traded companies conducted by Booz Allen "Why CEOs Fail: The Causes and Consequences of Turnover at the Top", turnover among chief executives soared 53 percent between 1995 and 2001, and the number of CEOs who left their jobs under pressure more than doubled during that period.

Further, according to Claudio Fernandez-Araoz ("Hiring Without Firing," Harvard Business Review, July 1999), 30 to 50 percent of executive-level hires end in firings or resignations. And in a 2001 study, the Corporate Leadership Council reported that 40 to 60 percent of new management hires fail within 18 months. Clearly, churn at high levels is the most expensive type of employee exit there is, and its costs to an organization can take many forms.

Prior columns have dealt with best practices for attracting and hiring best-fit candidates. But even if you excel at precision hiring, you can still be vulnerable to premature exits—voluntary and involuntary—if your people value chain (PVC) does not have a systematic, disciplined "onboarding" process.

### What Is 'Onboarding'?

Organizations commonly make a conspicuously self-defeating assumption when it comes to new-hire integration. That assumption comes in two parts: that the PVC ends at precision hiring and, therefore, integration is simply not required.

It's nothing less than a leap of logic to assume that high-accuracy hiring will protect against misalignment between the new hire, on the one hand, and the organization's culture, its people, and all their customs on the other. Failing to consider all the possible hazards and risks that can threaten even the most able new executive's tenure is the glaring oversight that leads to shortened tenures.

Fortunately, there is a handy lever that can significantly decrease the odds of premature departures: the proactive, pre-emptive, and focused practice of onboarding. Onboarding is an executive coaching application that blends two functions, one preventive and one developmental. The coaching is most effective when initiated during the first 30 to 60 days of employment, or when a key manager is given a stretch promotion.

The key objectives of onboarding coaching include aligning the executive with the corporate culture, developing the areas that bear closely on job success, facilitating positive communication, and ensuring positive relationships with his or her team and other internal and external stakeholders. The onboarding process is threefold:

1. The consultant and the candidate evaluate the corporate culture of the organization, interviewing key personnel and examining cultural "artifacts." These are strategic documents and various materials that highlight the nature of the organization's people practices.

2. Then, the consultant assesses the on-boarding candidate. He or she responds to various assessment questionnaires related to emotional intelligence quotient ("EQ") abilities and leadership behavior, and participates in an in-depth interview. The consultant marshals all the assessment findings and blends them with real-time information, continually collected by the candidate and the coach about how the candidate is performing in the new role.

3. With these two assessments—cultural and individual—in hand, the core of the onboarding process can begin. The candidate goes through an in-depth debriefing with the coach to:

- Identify blind spots, counterproductive tendencies, key strengths, and potential vulnerabilities in certain situations common to the new environment
- Create a roadmap for the candidate's success
- Monitor performance during the first year to look for and address disconnects
- Add new leadership competencies to the candidate's repertoire

In the end, the new hire and the coach are partners in developing strategies to integrate the executive into her or his new role, culture and company. Together, they create an early warning system for identifying emerging problems and initiate the steps necessary to take the executive's skill sets to the next level. The process is not very different from the typical charge for a general executive coaching engagement. It simply has a more specific focus.

Provided the coach is well-versed in working in the broad area of leadership development, it will be a virtual certainty that the consultant will help hone the candidate's competencies in this area along the way. Overall, the onboarding not only helps refine the candidate's EQ, but also serves to broaden and deepen his or her leadership efficacy.

### **Mere Mortals, After All**

The greatest challenges relating to these tasks usually begin to manifest themselves once the 30- to 60-day honeymoon is over. That's when these mere mortals begin to bump up against disconnects related to people, culture, strategy, and the role itself. The post-honeymoon phase is where all the risk lies and where shortened tenures originate. Fortunately, the entire array of risks involving people, culture, strategy, and the job are eminently responsive to onboarding advisory support.

Never assume that once you have hired or promoted someone, you have completed your due diligence. Don't leave it up to the new executive to sink or swim, and don't assume that he or she will swim just because you have done your due diligence in hiring. Statistics belie those kinds of assumptions.

It's extremely difficult to anticipate the obstacles that lie before a newly minted executive, even one who came from within the organization's ranks. In fact, the obstacles may be even greater for the newly promoted internal candidate than for the outside candidate because the internal one is now carrying a larger title than many colleagues who used to be peers. During the first year of acculturation and assimilation, he or she must firmly establish him- or herself as a credible, likeable, and true leader who adds real value to the enterprise.

The varied barriers to achieving high-level integration objectives can only be overcome with a refined EQ. As such, newly promoted individuals must get a handle on their new roles and learn to execute them deftly. This ability requires executives to establish well-rounded and collaborative relationships, and genuinely comprehend the culture to navigate it with finesse.

### **Hold on to a Good Catch**

If talent management is mission-critical—and it is—its success must be assured with an insurance policy. The fact is that every move to an executive position is a stretch assignment that requires people to leave their comfort zones. Even the best-prepared leaders are only human and can be taken unawares by unpredictable circumstances and emotional reactions. An on-boarding process can go a long way to prevent them from stumbling or at least catch them in time and get them back on their feet.

As a bonus, just being exposed to this kind of support heightens the probability of a long, successful tenure, because career-minded people generally derive a great deal of satisfaction from substantive developmental experiences. Letting key hires fail, on the other hand, can be an extremely expensive mistake. **USBR**

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