

## Get on right track with executive onboarding

BY CASSANDRA GIERDEN

Most organizations offer some level of orientation for new leaders. But without a well-defined plan for integrating the new leader, the risk of poor performance and failure is elevated.

Executive onboarding has grown out of traditional orientation to provide a more comprehensive and systematic plan for helping executives transition into new roles.

The term onboarding is typically used for leaders who are hired from outside of an organization, but is equally important for supporting internal transfers and promotions in any new management role. Take, for example Russ Jones, an employee with Rona, a Boucherville, Quebec-based home improvement retailer. Jones, who had been with Rona for 21 years, suddenly found himself launching a commercial division and managing the company's new role as a sponsor for the 2010 Winter Olympics.

Jones credits the onboarding coaching he received for helping him manage multiple projects and navigate complex decision-making processes in his new division, and for his new sense of focus and balance.

Onboarding reinforces conventional orientation and training programs with highly focused one-on-one leadership coaching, targeted skills development and timely and objective feedback. The goal is twofold: ensure new executives find their footing quickly and avoid costly missteps; and help them

build effective alliances with direct reports to ensure continuity and co-operation in achieving organizational goals.

### Why use onboarding?

The costs of not having an effective onboarding program can be high. A study by Kevin Coyne at the Harvard Business School in Cambridge, Mass., shows how changes in a company's leadership can wreak havoc. His study, conducted between 2002 and 2004, found an executive turnover rate of 17 per cent in large companies.

According to Coyne, a change at the very top can trigger significant turnover among existing executives: up to 22 per cent for organizations that hire new CEOs from outside and up to 33 per cent for those that promote CEOs from within.

Executive turnover shows no sign of abating. The July 13, 2006, issue of *The Economist* reported a 6.9-per-cent increase in executive turnover between the first half of 2005 and the same period in 2006.

Companies invest a great deal of time and money in recruiting new executives. When they fail, as the statistics show they often do, the effect on the bottom line is devastating. Some estimates peg the costs at 200 per cent to 250 per cent of an executive's annual compensation. That figure does not include indirect costs such as lost productivity and diminished morale.

Onboarding can turn things around by giving an organization a planned process to integrate the new executive while maintaining continuity and retaining key team

players. It's like an insurance policy and an organization that invests in onboarding can ensure it gets the results it expects from a new executive.

### What's involved?

Onboarding addresses the critical areas where executives tend to have weaknesses. An effective onboarding program can help new executives:

- maximize the skills they need most in their new role;
- align leadership style with the culture of the workplace;
- begin developing effective relationships with other senior people and direct reports; and
- understand the who, what and why of the decision-making process.

Onboarding is a combination of functional performance training, conventional orientation, intensive, highly focused coaching and performance feedback. All aspects of onboarding are important but the coaching component sets it apart from traditional efforts at orientation and creates the greatest leverage from training.

### Benefits of onboarding

A key objective of onboarding is knowledge transfer. This is one area where coaching takes centre stage. Clearly, training is a key part of knowledge transfer, but coaching complements training, ensuring learning becomes a new behaviour. Coaching helps new executives create concrete plans for implementing what they learned and applying their recently acquired knowledge.

Coaching also addresses issues that orientation and training alone cannot. It's lonely at the top, and it's especially so for someone new to an organization. Onboarding coaches provide objective support for new leaders, offer themselves as a sounding board, help them work through stress and discuss any pressures the executive is feel-

ing outside of the workplace. The result? Executives who can handle the pressure of their new position.

Food services company Sysco Canada wanted to develop Canadian talent to assume senior leadership roles as the company continued to grow. To meet this challenge, the Toronto-based company hired a leadership coaching company to introduce an executive coaching component into its newly developed leadership development program. Although it didn't call it by name, onboarding was a critical part of Sysco's leadership development plan, which involved long-term employees and leaders newly integrated after an acquisition.

In the last three years, seven of the 28 participants in Sysco's executive coaching program have been promoted to executive vice-president or president and three to more senior positions.

### What about 'postboarding'?

After an executive is successfully on board, what comes next? Does the support they relied on simply vanish? Not necessarily. For many organizations, including Sysco, onboarding evolves into continued executive development, supported by coaching.

Andrew Miller, executive director of training for Sysco, has plenty of evidence of the benefits of coaching, both before and after a new leader is in place. Sysco executives who continue to work with coaches are more disciplined and achieve results faster, says Miller.

HR departments can ensure their leaders start off on the right track with effective onboarding, and stay on the right track with continued coaching and leadership development.

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