

On-Boarding: Maximizing Retention and Efficiency

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Leading organizations continue to invest time and resources in tapping into the external labor market to enhance their executive ranks. Companies have enhanced their hiring processes via techniques such as behavioral-based interviewing, extensive reference checking, psychometric testing and simulations aimed at better predicting the likely success of a candidate in a particular role.

Nonetheless, while a forceful search and reference taking process is required for successful hiring, it is not sufficient to guarantee success of the new hire. It is a new hire's early experiences with a company that are key to determining whether they are successful in the new role. Unexpectedly, many companies seem to leave executive on-boarding (settling the executive into his or her new role in the early months of their appointment) to chance, and as a result experience failure rates in excess of 50% when it comes to retaining new executive talent.

Where Companies Go Wrong with Executive On-Boarding

Our knowledge suggests that there are a few key areas where organizations run into difficulties. Many organizations do not gather the information collected through the recruitment process in order to use it to identify likely developmental needs and to form the basis of a development plan for the new hire. Often, a lot of the data collected through the recruitment process remains with human resources instead of going to the hiring manager. Another issue is that candidates often don't receive corrective feedback soon enough. There seems to be a lack of candour – particularly in relation to the more senior recruits. In addition, some managers expect new hires to own their own on-boarding, assuming that they can find their own way and adapt to the new organization alone. An additional problem can be a poor understanding or misalignment of expectations.

What best practice companies do to successfully on-board their executive talent.

According our last Organization Human Capital review suggests that companies with robust on-boarding practices can experience a success rate of 94% or above

in retaining new executive hires. It is clearly worth getting right, so here are some key principles:

1. Leverage information gathered during the search and selection process to create development programs.

Best practice organizations concern a rigorous approach to interviewing and reference checking, going well beyond referees listed on CV to include current and former managers, subordinates, peers, suppliers and customers. This can provide a wealth of information which can become a valuable input into an early development plan for a new hire. It can identify both the new hire's areas of strength as well as their development areas. The best on-boarders ensure that information gathered through the recruiting process is transferred to the hiring manager.

2. Ensure new hires receive specific feedback early in their tenure.

A number of our clients have begun a process whereby they put new hires through a full appraisal process at the six-month mark in their tenure. Our approach combines a competency based interview with 360° feedback. The findings are then synthesized to create a report that describes strengths and areas for development. One-on-one feedback is then provided to the individual executive as well as to the hiring manager and this discussion forms the basis for a development plan. It is highly efficient in quickly identifying any potential issues before they become entrenched.

3. Manage the expectations of new hires to ensure they are realistic.

Best practice organizations go to great lengths to make sure that new hires understand the "warts and all" aspects of the culture before they join and they ensure that the new hires have realistic expectations

about what they can likely achieve within certain timeframes. By doing this they avoid the damaging peaks and troughs in attitudes new hires can experience. In a new role any experience of success or perceived failure can tend to be augmented in the minds of the new recruit. As a result it is important to ensure that they are fully informed before joining so that they know about any particular challenges a company culture may entail.

4. Create a network across all new hires.

It is critical that in a new recruit's early days with a company they feel a sense of being part of the organization. In a company that does a lot of hiring, this can come through forming relationships with other new hires.

5. Provide early and meaningful exposure to the CEO and the CEO's direct report.

At some organizations all new executives have pre-booked cycles of meetings with the CEO and direct reports within 30 days of arrival. It is also necessary that new hires have an opportunity to interact both formally and informally with the CEO and the direct reports. All these interactions are to some extent guided in that the new hires are given an agenda to arrange before these interactions. This increases their confidence and the chance that they will be able to project themselves successfully with the senior management team. Indeed none of the above practices outlined are rocket science, however, it is alarming to consider how many companies fail to do most, if not all, of these things. It is encouraging that companies are continuing to identify ways to improve the rigor in their recruiting processes and raising the bar in terms of their expectations of third party providers in this area.

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